

**FOR DECISION**

FOURTEENTH ITEM ON THE AGENDA

Report of the Director-General**Fourth Supplementary Report:
Report and conclusions of the
Eighth European Regional Meeting
(Lisbon, 9–13 February 2009)***Contents*

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Introduction

1. The Eighth European Regional Meeting of the ILO was held in Lisbon, Portugal, from 9 to 13 February 2009.
2. The Meeting set up a Drafting Committee to consider conclusions for submission to the plenary and appointed a Credentials Committee, in accordance with the *Rules for Regional Meetings*, 2008.
3. Information regarding attendance at the Meeting is provided in the report of the Credentials Committee.

Opening ceremony

4. The Meeting unanimously elected as its Chairperson, Mr José Antonio Vieira da Silva, Minister of Labour and Social Solidarity of Portugal, and as its Vice-Chairpersons, Mr Kastriot Sulka (Government delegate, Deputy Minister of Labour, Social Affairs and Equal Opportunities of Albania), Mr Tomek (Employers' delegate, Austria) and Ms Knežević (Workers' delegate, Croatia).
5. In his welcoming words, Mr José Vieira da Silva, noted that Portugal, a founding Member of the ILO, was firmly committed to the concept of decent work and social justice for all. The present crisis called for a strong ILO. The Regional Meeting should chart the way forward for the Organization, allowing it to present powerful solutions to alleviate the crisis.
6. The Director-General of the ILO, Mr Juan Somavia, expressed pleasure at returning to Lisbon, a year after Portugal had hosted the ILO Forum on Decent Work for a Fair Globalization. He recalled that at the Seventh European Regional Meeting the ILO had warned that globalization was already operating in an ethical vacuum. There was a crisis before the current financial and economical crisis.
7. The ILO forecast that, unless sound and sustainable policies were implemented, global unemployment might increase by around 50 million men and women in 2009, but global cooperation could reverse these trends. He outlined a four-point action programme: firstly, responding to people's needs and expectations; secondly, Europe must play a leading role; thirdly, preparing the future based on sustainable development; fourthly, filling the global policy and institutional vacuum.
8. This European Meeting could, in making Decent Work the people's agenda, both help stop the slowdown and build a stronger, cleaner and fairer future economy. Europe has the institutions and experience for coordination and therefore could lead the way towards a new global architecture, with a common approach and a common action plan. It must deepen its practice of social dialogue, and countries all over the world could learn from the European social model.
9. Confronting the crisis was also an opportunity to develop long-term solutions along a sustainable development path. Referring to the Declaration on Social Justice for a Fair Globalization, he recognized that the Decent Work Agenda needed to be pursued in cooperation with other institutions to create a coherent and effective multilateral system. This was the ILO's contribution to making sure that "when the mess is cleared up, we will have a better system that does not allow the destructive behaviour of financial actors to ruin people's lives and the real economy".

- 10.** The ILO also aimed at filling the global policy and institutional vacuum. Two ideas had emerged in recent discussions with Chancellor Merkel and chiefs of key international institutions. Firstly, a new charter for coherent and sustainable economic governance was needed, including the four pillars of the ILO Decent Work Agenda. Secondly, the new system would require a reassertion of universal human values to protect against a resurgence of discrimination and victimization. The Director-General concluded his speech by saying “The world needs a strong ILO. Europe needs a strong ILO. And the enterprises and working women and men whom we represent need a strong ILO. Let’s make this Conference a demonstration of our capacity to rise to the tremendous challenges we face in the years ahead” Mr Daniel Funes de Rioja, Employer Vice-Chairperson of the Governing Body of the ILO, welcomed the opportunity to discuss the implications of the global crisis, which, he said, would strongly affect the small and medium enterprises which employed 90 per cent of the global workforce. The International Organisation of Employers (IOE) believed that proper regulation was needed for the financial market and that viable enterprises with good access to capital were essential for maintaining employment. The crisis might provoke massive lay-offs but this could be alleviated by education for better skills aimed at increased employability and mobility while still ensuring social safety nets. There was a real need for social dialogue in overcoming the crisis.
- 11.** Sir Roy Trotman, Worker Vice-Chairperson of the Governing Body of the ILO, thanked the Government and people of Portugal for providing a forum to discuss proper responses to the crisis. It was now necessary to go beyond the financial questions and to tackle all imbalances and injustice. Government regulation of the financial sector was needed, but this must not be decided only between bankers and financial officers; workers and trade unions must be a part of the crucial discussions. The ILO had a critical role in combating the crisis, using the Declaration on Social Justice for a Fair Globalization. The European countries should maintain development assistance to help fulfil the Millennium Development Goals. The problems caused by climate change must be addressed, by investing in a new “green deal”, and by reducing emissions; this would create new decent jobs. Through cooperation and dialogue, the impossible became possible.
- 12.** Mr José Sócrates, Prime Minister of Portugal, thanked the ILO and the Director-General for the opportunity for his country to host the Eighth European Regional Meeting. He described the main theme of the Meeting as “work and the economic crisis”. The economic and financial crisis was having serious negative impacts but also provided an opportunity to reconsider the political architecture and responsibilities of each country. The ILO should be prominent in the international debate, which should go beyond the causes and consequences of the crisis and focus on reforms, including regulation of financial markets and institutions. Action should be rapid and decisive.
- 13.** Europe, on the basis of its social model, had an important role to play in the new financial order. The present crisis presented an opportunity to correct policies and strategies inherited from the past decade. Responses should address equity and social cohesion, as the way ahead could not be isolationism, protectionism and reduction of social rights. Rather, social and economic peace would only come about through a supra-national regulatory framework. The work done under the Decent Work Agenda was an excellent example of ILO skills and competence in the face of the present economic crisis.
- 14.** Ms Renate Hornung-Draus, IOE Vice-President for Europe, stated that Europe was among the regions most severely hit by the crisis. High-level discussions, such as the G-20 Summits and the meeting between the international organizations arranged by the German Chancellor, would prepare the ground for a new economic architecture. This should not harm trade and business opportunities but should aim, through transparency, accurate risk assessment and sound governance, at correcting the mistakes of the past. In the short term, governments needed to support companies with minimum job losses. At the same time, the

regulatory framework, education and skills and the system of social partnership must be developed.

15. The Employers believed that ILO's role and direction should not be diluted in the present crisis. The Organization should focus on its mandate, fundamental principles and rights at work, and policy coherence with other international organizations. It was important to promote discussions on the concept of flexicurity in Europe during the Meeting.
16. Ms Maria Helena André, ETUC Deputy General Secretary, expressed concern that the present economic crisis, which had begun as a financial market crisis, had now impacted the real economy and labour market. No country was immune to it. A strong and transparent regulatory framework and banking control at global level were required. The crisis was not provoked by the rigidity or structural failure of the labour market, but was rather created by "casino capitalism". She emphasized the need to resist pay freezes and cuts in social protection, and called for a new social deal for Europe which would avoid destruction of the European social model. Active consultation of employers and workers through social dialogue should be promoted.
17. The Regional Meeting was addressed, via a video presentation, by His Excellency Mr José Manuel Barroso, President of the European Commission. Welcoming the participants to his native city, he stressed that recent forecasts concerning the depth and severity of the current financial crisis were very worrying, and that vulnerable groups of the population were the most at risk of poverty and exclusion. The Decent Work Agenda, geared towards promoting productive work, social protection, rights at work and social dialogue, offered the right path forward to address the crisis. The European Commission was working closely with the ILO to meet the goals of the Decent Work Agenda, both in Europe and globally. The European Recovery Plan was fully in line with those objectives, and there would be a refocusing of the European Social Fund and an extension of the scope of the European Globalization Adjustment Fund to respond more effectively. There was a need to target those most impacted, to support employment, training and social protection, and to match financial bail-outs with action on the social dimension.

Discussion of the Report of the Director-General

18. The ILO European Regional Director, Ms Petra Ulshoefer, presented Volumes I and II of the Report of the Director-General. Significant progress had been made since the Seventh European Regional Meeting held in Budapest in February 2005 in the employment and labour spheres. There had been a period of solid economic growth throughout the region, and a decrease in unemployment and a rise in employment in the European Union, and in the majority of non-EU Members until mid-2008. However, progress had not been uniform across the region. Many newly created jobs were of poor quality in terms of remuneration and other working conditions. Since the mid-1990s, there had been a slowdown in labour productivity dynamics in the EU-15, largely as a result of a rise in atypical forms of employment, while countries in Central and Eastern Europe had experienced rapid economic growth and improvements in labour productivity but rather poor employment performance up to 2004. Real wages had not increased in line with productivity improvements. In general, economic convergence across Europe was not matched by convergence in social policy. A range of other challenges confronted the region, including population ageing and resulting labour shortages, and the need to accelerate labour productivity and address increasing income disparities.

19. Volume I of the Report analysed the improvements made but also the decent work deficits, which have now seriously increased since the onset of the financial crisis. Part 1 analysed them in an integrated way, exploring linkages between them and providing succinct policy conclusions to further improve the decent work situation in Europe. Seven subtopics, covered by Part 2 and to be discussed in the forthcoming parallel discussions, were identified as critical elements for further improvement of the decent work situation in Europe: (i) fundamental principles and rights at work; (ii) the nexus of economic growth, employment and productivity; (iii) labour market policies for flexibility and security; (iv) quality of working life; (v) social protection; (vi) wage trends; and (vii) social dialogue. All of these elements of decent work were highly interconnected and proposed policy solutions should be consolidated and reinforce each other.
20. Volume II reviewed the progress made in following up on the recommendations of the Seventh European Regional Meeting concerning youth employment, flexicurity, migration and security in old age. In the framework of Decent Work Country Programmes (DWCPs), achievements with ILO assistance included an almost universal ratification of fundamental labour Conventions, development of programmes leading to the reduction of child labour, formulating and implementing national employment frameworks as a follow-up to the so-called “Bucharest Process” in South-East Europe and work in Central Asia on promoting entrepreneurship and strengthening vocational training. Many countries had adopted ILO occupational safety and health standards and developed national occupational safety and health programmes. Labour and social dialogue legislation had been harmonized with European standards in several South-East European countries, and labour legislation in a number of CIS countries had been modernized in compliance with market economy requirements. Full implementation of DWCPs, however, could not be achieved without extra-budgetary support, and such support was especially needed in the areas of capacity building of the social partners, implementation of labour market policies, reform of social security systems, promotion of international labour standards and legislation, and implementation of national occupational safety and health programmes. Support from ILO constituents in this regard would facilitate DWCP implementation and provision of sound technical assistance, particularly vital during times of crisis and recovery.
21. The Minister of Labour and Social Solidarity of Portugal stated that Portugal fully supported the Decent Work Agenda and the ILO could count on its continued cooperation. There should be a plurality of measures to address the current crisis and this had implications for public policy. Europe faced many problems, including an ageing population, a rise in the number of atypical workers, the need for enterprises to adjust to change. Improved labour market policies to assist workers in transition and enhanced systems of social protection were also needed. It was possible to reconcile flexibility and security, and tripartism was a key element in this regard; working hours, for example, could be adjusted to adapt to change through social dialogue.
22. The Worker spokesperson (Mr Ulf Edström) stated that governments were now forced to act as firefighters as a result of failed policies; governments, workers and employers should act together to ensure strong safeguards and avoid a repetition of the current crisis. He stressed the massive growth in inequalities in recent decades and the over-confidence in self-regulating markets; governments were accountable to their citizens and now needed to set fair rules of the game for market actors. Central banks should have advisory boards with representatives of workers and industry to ensure that the needs of ordinary people and the real economy were fully reflected in monetary policy decisions. While the Report correctly pointed out the prevailing global economic imbalances and widening inequalities, it was vague concerning the role of the ILO in addressing these issues and providing appropriate policy responses. The Declaration on Social Justice for a Fair Globalization reaffirmed the ILO’s role in achieving the objectives of full employment, raising of standards of living and the extension of social security measures.

23. The ILO must be guided by its international labour standards and the Report did not adequately address their importance. The Freedom of Association and Protection of the Right to Organise Convention, No. 87 (1948), and the Right to Organise and Collective Bargaining Convention, No. 98 (1949), were fundamental and the Workers' group expected full recognition of these rights. In these difficult times, a number of labour standards were particularly important to ensure worker representation, protection and fair wage levels, including the Workers' Representatives Convention, No. 135 (1971), the Workers' Claims (Employer Insolvency) Convention, No. 173 (1992), the Protection of Wages Convention, No. 95 (1949), and the Minimum Wage Fixing Convention, No. 131 (1970). In terms of promoting employment and employment security, the Employment Policy Convention, No. 122 (1964), and the Termination of Employment Convention, No. 158 (1982), provided the necessary guidance. For the protection of working people and their families, the Social Security (Minimum Standards) Convention, No. 102 (1952), and the Employment Promotion and Protection against Unemployment Convention, No. 168, (1988), should be recognized. The Employment Relationship Recommendation, No. 198 (2006), was also an essential tool for workers to access their social and labour rights.
24. The financial sector should be regarded as a public utility; the current crisis revealed that the banking sector was not bearing risks like other private enterprises. To ensure the flow of money, to collect savings and provide credits for investment and consumption, a strongly regulated banking sector was needed. Additionally, the value of pension funds should be protected. On the design of stimulus packages, there was a role for the ILO to play to ensure a strategic modernization of economies towards environmental and social sustainability. Direct public investment and public works programmes would have the strongest effect, followed by economic support to the poor. A focus on green jobs was needed to tackle the challenges of climate change. Investments in education were needed. Harsh terms imposed by the World Bank and IMF on a number of countries could result in further erosion of wages or exchange rates, and the ILO could provide alternative policy advice consistent with the ideals of social justice. All governments needed to ensure that wage levels were upheld and in line with productivity growth. Employers and workers should bargain in good faith to avoid a socially undesirable downward pressure on wages, and governments could support this process, for example, by being exemplary employers.
25. A Government delegate of France recognized the severe circumstances confronting countries and welcomed the opportunity for delegates to share their experiences. Unemployment could rise to 8.7 per cent in 2009 and could reach 9.5 per cent in 2010. Gross domestic product (GDP) might fall by up to 2 per cent in the European Union in 2009. Governments were considering a range of actions to address the current situation, including rapid assistance to the financial sector. The ILO was correct in placing employment at the centre of economic and social policies and France supported its approach to put employment at the heart of reflationary measures. Such measures had to integrate both employment and social protection in order to limit the impact of the crisis on the real economy and allow for a sustainable upturn. Policies must protect those most vulnerable in society, the benefits of productivity should be shared, training programmes could ease the transition of workers to new jobs, and financial assistance could be provided to enterprises to prepare them for renewed growth. Institutions for social dialogue could assist in this process, for example through the exchange of information and development of effective measures.
26. During its Presidency of the European Union, the Government of France had initiated and supported measures to ensure economic growth throughout the community. On 12 December 2008 the European Union approved a plan to coordinate reflationary measures in the Member States amounting to by 1.5 per cent of GDP, including direct support to small and medium enterprises, development of renewable energy, the promotion

of non-polluting transport and support to the automobile industry. France had developed a plan of over 45 measures comprising some 1,000 projects for a cost of 26 billion euros to support housing improvements, the costs of unemployment insurance and assistance to more than 3 million low-income households. Action by individual countries would be truly effective only if there was coordinated international action. He recalled the statement by President Sarkozy of France to the 303rd Session of the ILO Governing Body endorsing the ILO's role in global governance and acknowledged the recent initiative by Chancellor Merkel of Germany in this same vein, concluding by a recognition of the relevance to the current crisis of the 2008 Declaration on Social Justice for a Fair Globalization.

- 27.** The Employer spokesperson (Ms Renate Hornung-Draus) remarked that the Declaration on Social Justice for a Fair Globalization was fully supported by the Employers' group at this time when the influence of the ILO was increasing. In the short term, measures were needed to minimize lay-offs and help those individuals most impacted by the crisis. In the medium term, raising employment levels would be critical, for example by developing green jobs. A broad view of green jobs should be taken: all sectors should be involved in improving production processes that were environmentally friendly. Flexicurity was an important aspect in the debate at the Meeting and the Employers' group believed that this included assisting the transition of workers from unemployment to employment, from training to employment, and from one job to another. In terms of wage setting, there was evidence of some interference by governments where collective bargaining between workers and employers was taking place. Freedom of association was a matter of concern to employer organizations as well, notably government interference in the arbitrary dissolution of such organizations in Eastern Europe.
- 28.** The issue of wages represented a difficult balancing act for the ILO and it should not interfere in national debates about wage setting. In the recent deliberations by the European Court of Justice concerning the Latvian firm Laval, she was opposed to the ILO's discussion of the case as there were ongoing negotiations among the social partners concerning the issues at hand. DWCPs were an important tool for cooperation for the European Union in its technical assistance to the region. Employment was a comparative advantage of the ILO and the Employment Sector should build on this expertise.
- 29.** The Minister of Labour and Social Issues of Armenia hoped that the Meeting would build an effective platform for cooperation throughout the region. He outlined certain measures undertaken in his country in the labour sphere including introducing new labour legislation, updating the Labour Code, increasing the access of vulnerable groups to various services, the introduction of an action plan on promoting gender equality, and noted that his Government was developing an employment and social protection strategy. New collective agreements were to be signed soon in line with the DWCP.
- 30.** An Employers' delegate from Portugal remarked that active social dialogue and collective bargaining was of vital importance in providing solutions to the problems at hand. In 2007 his country had reached agreements among the social partners on aspects of flexicurity. Rigid labour legislation was an issue and a review was under way on this problem. There was a need for existing companies to be supported and for new enterprises to be set up.
- 31.** The State Secretary of the Government of Hungary remarked that his country, like many others in the region, faced a dual challenge in the current crisis. Strict budgetary policies to manage debt were needed but at the same time policies and programmes to boost economic development were critical. While Hungary was engaged in short-term crisis management, the foundations for long-term sustainable development also needed to be laid. The focus of government was to retain as many jobs as possible that have economic potential, and wage subsidies were introduced to support reduced working time arrangements and training. Flexible forms of employment, such as telework, were supported and the Government was

about to launch a large-scale public works programme. There were special challenges for the public employment services to assist both the long-term unemployed as well as the highly qualified, and to develop special measures to deal with mass lay-offs.

32. The State Secretary of Serbia noted that a new General Agreement had been signed between the social partners in 2008 but due to the economic crisis employers had asked for a postponement in its implementation. A tripartite body was formed to address the situation and propose measures to alleviate its impact. A number of ratifications of international labour Conventions were being considered and she welcomed the appointment of an ILO National Coordinator in her country.
33. A Workers' delegate from Portugal said that accelerating unemployment in his country was of great concern to workers, and this required more concerted measures to strengthen employment policies and create jobs, especially for families most affected by unemployment. The Government should invest in education, health care, renewable energy and green jobs to boost the economy. Businesses should accept their social responsibilities in the crisis and be sanctioned if they resorted to abusive dismissals. In this respect labour inspection services and labour courts should be strengthened to be able to combat illegal work activities. Collective bargaining was another important measure to avoid lay-offs. The way ahead was in global regulation of globalization through respect for international labour standards.
34. An Employers' delegate from Ukraine said that each country should ensure protection of its national market by participating in an international security system in the global economy, and learn from the experience of other countries to find the most effective way out of the crisis. The ILO should influence the conditions for sustainability of enterprises as well as promote labour protection. Unfortunately there was no tripartite mechanism, nor a government programme in Ukraine to combat the crisis, but he hoped the Government would support his organization's own anti-crisis programme. He appealed to the ILO and EU countries for support to prepare a new Convention on social dialogue as an instrument of economic and people's development.
35. A Government delegate of Austria said her Government had acted quickly to stabilize the banking sector and introduced a stimulus package, second only to Spain in terms of its proportion to GDP in the EU. One billion euros were earmarked in loans and guarantees to maintain liquidity of small and medium enterprises and to promote new investments. A second tax reform aimed at reducing income tax and increasing purchasing power was expected in March 2009. At the same time, the Government was pursuing active labour market policies, especially training and retraining measures in view of an economic upturn after the crisis. Training was focused on upgrading education (50 per cent of unemployed persons in Austria had only elementary education), job search courses and training for career development.
36. A Government delegate of Israel joined many participants in saying that the global crisis presented great challenges, especially on employment, wages and working conditions. Israel had responded with a programme to shorten working time, offers of training in unpaid vacation time, and alternative sources of credit to employers provided they abstained from lay-offs. The Government was also providing support to pension funds adversely affected by the crisis. Many activities had been initiated to increase public awareness, information on rights and duties, enforcement of legislation and inspection of wages and working conditions. All measures had been taken in full tripartite cooperation. An historic turning point was achieved in 2008 when a collective agreement guaranteed a second tier mandatory pension to every worker.

37. A Government delegate of Belgium hoped that the crisis would not jeopardize the Decent Work Agenda. Solidarity was a central value in Europe and social dialogue must not be bypassed during restructuring. Investment in skills and training were crucial elements of stimulus plans. Vulnerable groups, such as temporary and part-time workers, should be protected. Investments should be sustainable, for example in promoting green jobs. Monitoring the adherence to the Declaration on Social Justice for a Fair Globalization was a priority, and could provide examples of good practice.
38. The Secretary of State for Social Security of Spain noted that his country was committed to work closely with the ILO on reform during the crisis period, and that it was important to include the social partners in decision-making as consistent with the European social model. Reconciling work and family responsibilities was essential; women, for example, who had interrupted work due to childcare, should be assisted in returning to the labour market. Spain had increased minimum pensions, resulting in a decline in poverty rates. Human rights, institutional frameworks and social protection should be strengthened. The ILO had an important role in this regard, as well as in ensuring a fair globalization.
39. The Minister of Labour, Family Affairs and Social Protection of Romania remarked that ILO technical advisory services were much appreciated and contributed to Romania meeting its development objectives. His country had recently ratified the Labour Administration Convention, No. 150 (1978), and Parliament was debating ratification of the Social Security (Minimum Standards) Convention, No. 102, (1952). The extent of child labour was being monitored and a new programme for the elimination of child labour had been developed with ILO cooperation in 2008. Response measures to the crisis were elaborated with the social partners; these included extending the eligibility period for unemployment benefits, increasing the minimum pension, and support to vocational training.
40. The Minister of Labour and Social Affairs of Albania stressed efforts in his country to prevent the social exclusion of disadvantaged groups such as youth, the elderly and Roma populations. The Albanian labour market was characterized by a high degree of informality and a lack of labour mobility. Supporting small and medium enterprises, with credit assistance and tax relief, was a priority. Albania, in the context of integrated UN programmes including the ILO, was targeting the issues of youth migration and vocational training.
41. The Deputy Minister of Labour and Social Affairs of the Czech Republic emphasized that the country was committed to free trade and that protectionism should be eliminated in the current crisis. The EU Lisbon Strategy, with its emphasis on increasing competitiveness, notably through education and lifelong learning, had renewed relevance. If Europe was to attract investments for enterprise and employment development, it would be through a skilled and flexible workforce. The Czech Presidency was organizing several conferences in the coming months to discuss measures to overcome the crisis both in terms of stimulating growth, preserving jobs and maintaining social protection.
42. The Secretary of State of the Federal Department of the Economy of Switzerland said that the Decent Work Agenda was a good basis for guiding action to help resolve the crisis. Noting the recent referendum approval by the Swiss on extending to Bulgaria and Romania the bilateral agreement with the EU on the free circulation of people, he stressed that the social partners were actively involved in the design of policies to protect salary levels while at the same opening Switzerland's labour market. The increase in the number of binding collective agreements from 16 in 1995 to 68 in 2008 that included the establishment of minimum salaries testified to a strong system of social dialogue. A range of measures was under way to minimize the impact of the financial crisis, including ensuring the flow of credit, lowering interest rates and addressing the banking crisis.

43. The Minister of Labour, Family and Social Affairs of Slovenia stated that governments needed to determine the most appropriate roadmap for delivering decent work during the current crisis. His Government had adopted a number of measures in consultation with the social partners; redundant workers were now a priority group for labour market programmes and financial assistance was available to enterprises that retained workers on shortened work schedules as an alternative to retrenchment. Effective monitoring of the situation was crucial, and Slovenia would be examining practices of other countries that might be replicated.
44. The Minister of Labour and Social Policy of Bulgaria explained that her Government's labour and social policies included preventing marginalization of various social groups, giving guidance to jobseekers, subsidizing job creation and the provision of vocational training. Additionally, Bulgaria placed great emphasis on promoting a good work and family balance; the length of maternity leave, for example, was the longest in the EU. Financial assistance was also provided to help cover child care costs for mothers wishing to return to the labour market. Collective bargaining and social dialogue played a central role in the determination of economic and social policy.
45. Ms Katarzyna Skorzynska, Ambassador of the Republic of Poland to Portugal, highlighted the strong collaboration between the ILO and Poland, particularly in the area of bringing national legislation into conformity with practice in the EU. While the nature of collaboration had gradually changed over recent years, Poland and the ILO continued to work together, for example in a project on combating forced labour. Poland was exercising a new role as a donor country although the level of financial support was modest. A "Stability and Development Plan" was adopted in November 2008 to mitigate the negative impacts of the current crisis and a "Social Solidarity Reserve" was established with a budget of 1.14 billion zlotys to address social problems. ILO labour standards, the EU Lisbon Strategy and the Declaration on Social Justice for a Fair Globalization would guide elaboration of a European crisis strategy.
46. Mr Jaap Wienen, Deputy General Secretary of the International Trade Union Confederation, concurred with the Director-General's statement at the Meeting that the origins of the current crisis were in evidence long ago. Huge bonuses at the top of the corporate tree were just one example of the "casino capitalism" that many in government and the private sector were blind to. The constituents were now faced with the real possibility of a time bomb that threatened social progress, democracy and equality. Governments and employers needed to work closely with the trade unions to avert social unrest. A strong regulatory framework should be established to prevent rampant speculation and profiteering: the Decent Work Agenda was at the heart of the new international architecture needed. There could be no business as usual under the current context and trade unions deserved a seat at the table in developing policy responses. He concluded by stressing that governments and private enterprises could not use the current crisis as a pretext to undermine international labour standards and fundamental rights.
47. A Government delegate of Belarus listed a number of measures that could be used to respond to the crisis, such as improvements in energy efficiency, development of new technologies, boosting consumer spending, as well as government support to potentially prosperous industries and enterprises. A balance had to be reached between economic and financial measures on the one hand, and the promotion of the Decent Work Agenda on the other, followed by a combination of social dialogue and social protection measures. Belarus had adopted a general agreement between the Government, employers' and workers' organizations for 2009–10, in which changes had already been introduced in the form of a more flexible policy on wages, offset with active labour market measures, to accommodate to circumstances. This was supported by the positive results of building better social partner relations. A seminar had been held in Minsk in January 2009 between

the Government of Belarus and the ILO/ITUC/IOE, where an Action Plan had been prepared to implement the recommendations of the Commission of Inquiry.

48. A Government delegate of Germany underlined the importance of investments in unemployment and family benefits, as some countries had obviously focused more on health and pensions to the neglect of other areas. She said it was important to promote job-retention measures, such as further training and qualifications, to avoid lay-offs during the crisis. In Germany some 5,000 advisers were hired to help get people into work. All measures needed the cooperation of governments, trade unions and employers on employment promotion and a broad approach to social security. Europe had a special responsibility through its dense network of multilateral bodies which provided many occasions to make its policies felt at different levels. She recommended the active involvement of the ILO in the provision of policy responses and recommendations to the high-level panel with the IMF in March, as well as to the G-8 and G-20 summits which would follow.
49. A Workers' delegate from France attributed the cause of the economic crisis to the absence of a social dimension to globalization, social norms which were held hostage to economic, monetary and financial conditions, the favouring of capital over work and workers to the detriment of social protection and public services. These were the true origins of the present crisis, and it was time for social dialogue, collective bargaining and freedom of association to take priority. He reminded the Meeting that the ILO was founded in 1919 on the motto "Never again"; that motto remained as relevant now in relation to the crisis. The ILO must act to ensure that policies developed within the multilateral system and its institutions, from the EU to the G-20, were in conformity with ILO Conventions, and that primacy was given to the development of decent work within the move to coherence and coordination. The countries of Europe and Central Asia should take the lead in ratification of ILO Conventions, particularly of the Termination of Employment Convention, 1982 (No. 158).
50. A Workers' delegate from Ireland lamented the current attacks on wages and social protection in her country. If anything was to be learned from the crisis it was that the market had no morals or solidarity and acted for short-term gain over long-term sustainability. In November 2008 the unions agreed a mechanism for employers who were unable to pay agreed wage increases or were in financial difficulties. The Government imposed a pension levy which resulted in a reduction of 3–9 per cent in public servants' wages. Such actions, she said, meant that "social partnership has become the sound of one hand clapping". Deflation was economically dangerous and socially undesirable, and it could not be left to the trade unions alone to fight; Europe needed to erect a barrier against deflation and put a floor under wages.
51. A Government delegate of Norway focused on the risk of deteriorating working conditions. She believed that in the long run businesses and countries as a whole would benefit from good and improved working conditions. Her country was a case in point; less than 100 years ago it was amongst the poorest in Europe but now had labour and social legislation amongst the very best in terms of protecting workers. The Norwegian model for social dialogue was a crucial factor in this development. An emerging problem, however, was the worsening of working conditions in many instances after an influx of labour migration on EU enlargement in 2004. The Government responded by strengthening the labour inspectorate, including allocating additional resources. Although a small country, Norway was also committed to promoting decent work in other countries, through increased contributions to the ILO and ensuring that workers' rights were given higher priority in foreign policy and development aid.

52. An Employer delegate from Romania maintained that the crisis represented an opportunity for the ILO to adapt and develop actions to help countries overcome the crisis. He suggested the ILO focus on the following four functions: yearly evaluations of the situation and its evolution; strategic recommendations for the long and medium term; supervision and monitoring of its recommendations and other international policies which had a major impact on labour and enterprises; and cooperation and coordination with other international organizations.
53. A Workers' delegate from Italy characterized the crisis as one of imbalances: between the financial sector and the real economy, between rich and poor countries, between overpaid managers and underpaid workers, between men and women. He agreed with the ILO on the need to extend unemployment benefits and additional training to all, particularly for young women and men, informal and precarious workers and migrant workers, and to establish emergency employment schemes. He regretted that the Italian Government seemed unable to address the seriousness of the crisis effectively and promote a sound climate of tripartite dialogue, even though it was the current chair of the G-8 Summit.
54. A Workers' delegate from Turkey believed that the main reason behind the economic crisis was the eradication of policies towards the concept of "social state". He described some present conditions in his country in relation to the Director-General's Report, including: the minimum wage in Turkey was far from providing minimum living standards; the informal economy stood at 50 per cent and was expected to increase in the economic crisis; subcontracting was one of the biggest obstacles to trade union organization; and only 10 per cent of the labour force was covered by collective bargaining.

Parallel sessions

55. Participants at the Meeting divided in order to be able to participate in a series of parallel sessions held to address critical issues of the region, which are reported below. The Employers' and Workers' groups nominated panel members to lead the discussions in the parallel sessions. The Government group decided not to appoint representatives as panel members, but to take part in the discussions from the floor.

Economic context and employment situation

56. The ILO expert said that by 2007 most countries in Europe had exhibited sustained economic growth and recovery from transition. However, this had not resulted in associated job increases. Employment increase in the EU-12 since 2000 had been negligible, and although it had increased in the EU-15 countries, improvement in productivity had remained low, raising concern about the quality of jobs. As the impact of the crisis emerged, the IMF estimated that growth rates for 2009 would be from -1.8 to -1.9 per cent for the EU-27, and -0.4 per cent for CIS and CEE countries, with an upturn in 2010 of 0.5 per cent for the EU-25, 2.2 per cent for CIS and 2.5 per cent for CEE countries. Action had been taken to bail out the financial sector, preventing systemic meltdown of the system, and to boost the economy through stimulus packages. It remained uncertain as to whether the stimulus programmes were of sufficient size and structure to alleviate the shock caused by the credit crunch, the slump in housing prices and the fall of the equity markets. A global push for a more effective regulation of the financial sector was needed to bring the liquidity, stability and equity required for stable growth of firms and jobs.

57. The Employer panellist from the Czech Republic outlined four measures to mitigate the economic crisis. First, resisting all forms of protectionism and taking action to further free trade; second, improving liquidity in the financial system to allow business to invest, pay wages and expand employment; third, ensuring that fiscal stimulus packages increased support for small and medium enterprises; fourth, spending more on education and training to enhance productivity. His Government had introduced cuts in social insurance contributions for workers on low and medium incomes and increased investment in transport and environmental infrastructure to stimulate recovery. Coordinated policy action at the EU level was required, with protection of free movement of workers within the EU.
58. The Worker panellist from France called for greater policy coordination in government policies in the finance, development and labour market fields. The current increase in unemployment was not due to excessive labour costs or labour market rigidity, but to financial crisis and inadequate aggregate demand. Increasing income inequalities and the absence of adequate social security were underlying causes. The pressure to reduce labour costs should be resisted. To boost consumption and growth, a wage floor should be established, with increased emphasis on labour standards. Several other Workers' delegates endorsed these points.
59. A Government delegate of Spain said that labour standards must be defended because they were basic rights, not because they were economically justifiable. A Government delegate of Italy highlighted the positive impact that labour market reforms had had in the pre-crisis period. A Government delegate of Germany indicated that this Meeting would allow the ILO to have a more direct impact on the global economic dialogue. She referred to the practical proposals to promote greater policy coherence that emerged from the recent meeting chaired by Chancellor Merkel involving the leaders of the IMF, World Bank, WTO, OECD and ILO. A Government delegate of the Czech Republic endorsed the calls for policy coordination and noted that his Prime Minister would be announcing an extraordinary EU Summit in the lead-up to the forthcoming G-8 and G-20 meetings. A Government delegate of Denmark also supported greater policy coherence and suggested that there should be more focus on active labour market policies during the current crisis and also in the future. A Government delegate of Azerbaijan called for measures to prevent the emergence of any further financial crises. A Government delegate of the Netherlands said that account should be taken of existing structural challenges in European economies: no measures should be introduced that would exacerbate these problems in the long term.
60. A Worker representative of the EU Trade Union Institute said that expansionary monetary and fiscal policies were required. In Europe these policies were not being adequately followed. Interest rates were still too high and the European Central Bank was lagging behind the stimulus measures taken by Central banks in other parts of the world. The fiscal stimulus plans in Europe were too limited. The European Union Economic Recovery Plan called for a fiscal stimulus of 1.5 per cent of GDP. But this was not occurring in all EU-27 countries. Some countries relied on expansionary policies in neighbouring countries to boost their own export industries without taking action themselves. A mandatory minimum stimulus package of between 2–3 per cent of GDP should be applied in all EU countries. Stimulus measures should focus more on infrastructure development and social expenditure than on tax cuts to maximize the employment impact. Protectionism would only be avoided, as called for by the Employers, if all European countries acted collectively and adopted significant fiscal stimulus packages.

New wage challenges

61. The ILO technical expert presented the major trends in wage levels and distribution as well as wage policies in Europe since the mid-1990s. He highlighted the diversity in real wage growth, but also pointed to some common trends, notably a progressive decline in the wage share, and increased wage disparity. The current economic crisis was likely to have significant and far-reaching implications for wages and workers' living standards. There was a need to address wage issues in the current crisis, notably through strengthening wage institutions, such as minimum wage to cover the most vulnerable workers, collective bargaining and eventually tripartite wage and incomes pacts to ensure the contribution of wages to the real economy recovery.
62. The Employer panellist from Denmark and several Employers' delegates questioned the relevance of the wage indicators used in the Report, such as the wage share, as well as its policy implications. An Employers' delegate from Sweden would have liked the Report to acknowledge the complexity of wage formation and to dwell more on issues relating to wage structures. Conversely, several Workers' delegates expressed appreciation for the timeliness and topicality of the Report. A number of Government delegates highlighted the usefulness of getting a comparative picture of trends in wage levels and wage policies in the European region. The Office representatives stressed that there was certainly room for improvement and that suggestions in this sense would be most welcome. The main goal of the Report was to share experiences in respect of wage policies across countries with a view to providing inputs for national policy-making.
63. Common concerns were shared by Employers, Workers and Governments: the rise in precarious and low pay employment, the importance of social dialogue for shaping social and economic policies, including wage policies, and, in this context, the significance of collective bargaining as the most effective means to adjust wages to changing market situations and variations in productivity. The need to respect and safeguard the freedom and autonomy of social partners in collective bargaining was voiced by both Workers and Employers. But concern was also expressed with regard to the decline in collective bargaining coverage and some suggestions were put forward to counter this trend through extension mechanisms and procurement policies, among others.
64. The Worker panellist from Norway stated that the present crisis was characterized by a lack of demand, and a drop in wages could reduce aggregate demand further, thus delaying economic recovery. A Workers' delegate from the Netherlands suggested greater wage coordination among EU countries to avoid social dumping. There was consensus among Employers, Workers and Governments about the need for respecting national industrial relations and traditions in wage determination. Many participants highlighted the diversity of minimum wage fixing mechanisms across countries: in some cases they were set through collective bargaining by sector, in others a national mandatory minimum wage was generally fixed in negotiation with the social partners. A Workers' delegate from Portugal highlighted that a national minimum wage could coexist with minimum wage rates fixed through collective bargaining. These systems should be assessed with regard to their ability to ensure maximum coverage of workers, while adjusting to the new economic circumstances of openness, intensified migration and capital flows. The variety in minimum wage levels was also emphasized. Several representatives of the CIS countries highlighted that national minimum wages in their countries were below the subsistence minimum and requested ILO technical assistance and policy advice. Many speakers stressed the need, especially in the present economic downturn, to grant decent working conditions to those worst hit by the crisis as a means to avoid further fragmentation of labour markets and preserve social cohesion. Many stressed the need for the ILO to keep producing comparative data and information on wage developments and sharing good

practices with a view to assisting national actors and institutions that were ultimately responsible for their wage policy.

Fundamental rights at work

- 65.** The ILO Executive Director of the Standards and Fundamental Principles and Rights at Work Sector introduced the theme, explaining that the normative framework for the discussion was the eight Conventions on freedom of association, discrimination, child labour and forced labour. The 1998 Declaration on Fundamental Principles and Rights at Work provided the promotional framework, together with the Declaration on Multinational Enterprises, and now of course, the 2008 Declaration on Social Justice for a Fair Globalization brought added guidance and emphasis. The eight fundamental Conventions were almost all universally ratified in the region, with only three ratifications outstanding. However, the ILO's monitoring processes revealed various implementation problems, referred to in the Report, not least concerning freedom of association. The Report also highlighted problems of trafficking, especially in relation to children and women. Pay discrimination in the region was in practice a widespread phenomenon, despite formal commitments to equality; while other forms of discrimination relating for example to ethnicity, race or religion created other challenges for the social partners in terms of rights at work in many countries to different degrees. Although the profile of the issues differed in different parts of the region, implementation of the rights and principles continued to be an active issue throughout.
- 66.** The Employer panellist from Switzerland and the Worker panellist from Sweden stressed the importance of employers' and workers' freedom of association and collective bargaining for democracy and as a component of social dialogue. Discussion of current national situations illustrated sometimes complex problems arising from management by the respective social partners of relations with a multiplicity of organizations on the opposite side; or as to the tension between flexibility, especially in time of crisis, and negotiation of working conditions. Different views were expressed, given recent judicial decisions in the EU, as to whether the right to collective bargaining was unrestricted or whether it should be balanced against the right to provide transnational services within the single European market.
- 67.** References were made to ILO action, such as seminars and advice as well as supervisory processes, which were capable of helping to turn ratification of the Conventions into implementation – the prime challenge for the region. Progress was often achieved, but further advances might be made, according to the Worker panellist, through wider recognition of core labour standards in political, parliamentary and trade contexts, in investment and bank lending policies, and by consumers. The region's ratification rate should be emulated globally, and development assistance policies should also contribute. The Employer panellist called for imagination and flexibility in addressing crisis, and, in the supervisory processes, good faith and understanding of the issues facing employers' organizations.
- 68.** In time of crisis, the weak position of migrant workers was especially worrying. The crisis might open opportunities too, for example for a message that the Meeting opposed protectionism and advocated the European social model as a response.
- 69.** Suggestions were made by different speakers for further action by countries of the region in three particular normative areas. First, as the seven prohibited grounds of discrimination in employment and occupation listed in Convention No. 111 had in practice in Europe often been added to, as provided for in the Convention, a broad commitment could be made to upgrade the status of the Convention in this way. Second, the International

Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, designated a core human rights instrument in the UN, should be targeted for ratification by countries of the region. Third, one country's policy of including provisions on core labour standards in national and international public procurement contracts, as well as labour clauses in accordance with Convention No. 94, was recommended as an expression of the increased role of social investment as well as a means of promoting the fundamental rights at work.

Labour market policies to reconcile flexibility and security

70. The ILO expert explained that from 1995 to 2006 a continuous rise in flexible employment relations in Europe had led to spectacular growth in part-time and temporary employment, while employment protection legislation (EPL) had become fairly liberal. ILO analysis showed that EPL had no significant impact on key labour market aggregates (unemployment, employment and labour force participation), while active labour market policies improved them significantly; however, high labour taxation and longer payment of unemployment benefits influenced them negatively.
71. Flexicurity promoted social dialogue as a tool for reaching consensus on policies and institutions, balancing flexibility and security for enterprises and workers. The appropriate combination of flexibility and security was unique to each country and depended on the national legal and collective bargaining tradition, the strength and experience of the social partners, and on political will to fund policy measures. Despite national differences, specification and regulation of the employment relationship remained central to the flexicurity debate. Labour legislation should be properly enforced, particularly outside the EU-15. Issues beyond the basic matters covered by legislation, such as employment protection and promotion, could be effectively dealt with by collective bargaining. Investment in education and training and in labour market policies must increase, to provide enterprises with a skilled, adaptable workforce. Activation strategies should be established for jobseekers, promoting rapid re-employment and preventing social exclusion.
72. In the present crisis with massive job losses, flexicurity meant strengthening security for workers, especially those in atypical forms of employment, those made redundant or threatened by redundancy. This implied increasing resources for employment, labour market and social programmes and ensuring their more effective use. This would have important positive impacts on aggregate demand.
73. These elements confirmed that flexibility without security could not function; a comprehensive approach was required. In terms of policy conclusions, the mix of flexibility and security varied from country to country, though some elements, such as the need for trust between the parties, were common to all countries. In times of financial and economic crisis, and increased uncertainty for both workers and employers, the security element should be reinforced.
74. Several Worker representatives expressed deep concern that the crisis would reduce protection in labour markets; they believed that most European labour markets were already very flexible and employment protection legislation increasingly liberal. Furthermore, the idea that flexibility would lead to job creation was erroneous. Without dismissing the approach, they called for a real, socially acceptable balance for reconciling flexibility and security. A Workers' delegate from Croatia also underlined the heavy costs of flexicurity systems.

75. Conversely, several Employers' delegates were more concerned by the flexibility side. An Employers' delegate from Germany recalled that there could not be security without flexibility. The mid-term objectives were also important to Employers as well as the need to continue some structural reforms of the labour market, such as modernizing the social protection system. The Employer panellist from France said that flexicurity was about sharing responsibilities. An Employers' delegate from Ukraine agreed that employers and workers had more in common than at first sight and that balance could only be achieved through social dialogue, which could increase trust and be fruitful for both parties. In this respect, the Government delegate of Azerbaijan highlighted the crucial role of government in informing and supporting social partners. A Government delegate from France underlined the positive aspects of flexicurity and the role it could play in the adaptation of enterprises and the economy in times of crisis.
76. There were, nonetheless, common elements of analysis among Workers, Employers and Governments. First, they shared the belief that a common and full understanding of the concept of flexicurity was important if flexicurity was to connect with the Decent Work Agenda and prove relevant to other non-European countries. Second, flexicurity was not a panacea and could not achieve all goals: it could facilitate labour market adjustment, but could not create jobs in the absence of positive interaction with the macroeconomic environment. Third, flexicurity was a policy tool, a means and not a goal. The Workers' delegate of Norway supported the idea that flexicurity was an instrument for regulating labour markets. Many speakers highlighted the importance of addressing the interests of both employers and workers explicitly and simultaneously in the shaping of policies through social dialogue, as well as the need for negotiated equitable solutions. Flexicurity was seen as a valuable part of the policy package required to respond to the financial and economic crisis.

Social dialogue

77. The ILO expert introduced the Report's chapter on social dialogue, covering industrial relations developments in Europe and Central Asia during the last 10–15 years. He emphasized that the industrial relations map of Europe had changed significantly, with most countries adhering, at least formally, to the concept of social dialogue. Social dialogue frequently proved to be an important tool of governance, contributing to EU enlargement, the adoption of the euro, to making the labour market more efficient and to strengthening young democracies in Central and Eastern Europe. Good labour–management relations were even more important during the current adverse economic conditions, as they could help mitigate hardship, facilitate recovery measures and contribute to a fair sharing of adjustment costs. Crisis-related measures had been featuring increasingly on the agenda of tripartite and bipartite negotiations and consultations since January 2009; collective bargaining was contributing to overcoming difficult situations related to restructuring in many enterprises. However, more effort by both the public authorities and the social partners would be necessary to make these developments sustainable.
78. The Employer panellist from Hungary said that the institutional framework for tripartite social dialogue in her country was backed by a legal framework guaranteeing the social partners' rights to be consulted and to take part in decisions alongside the Government.
79. The Worker panellist from Hungary stressed that while social dialogue was being emphasized everywhere, practice did not match the statements. The key element of trust and confidence between the actors was missing. This statement was supported by several Workers' delegates who underlined governments' lack of will to promote social dialogue

and work with the social partners. A Workers' delegate from Estonia indicated that his Government was hostile to social dialogue and wanted to marginalize trade unions.

- 80.** The Employer panellist from Hungary pointed to confusion between social dialogue and civil dialogue. The Workers' delegates of Croatia, Serbia and Lithuania supported this statement and requested the ILO to clarify these two notions in cooperation with the European Economic and Social Committee.
- 81.** Focusing on the question raised by the moderator on the link between social dialogue and the crisis, an Employers' delegate from Portugal emphasized that the crisis enhanced social dialogue at enterprise and sector levels. He called however for flexible collective bargaining at enterprise level, including with other workers' representatives. Agreements drawn before the crisis could be adapted to the current economic context. Employers in Portugal were not in favour of cutting wage bonuses.
- 82.** Workers' delegates from Portugal, Romania and France stated that wage reductions would be a socially unacceptable and economically counterproductive measure. Workers were not responsible for the economic crisis and social dialogue should go forward. A Workers' delegate from France indicated that workers were already disadvantaged by government measures in favour of enterprises. A Workers' delegate from Portugal stressed that trade unions' prerogatives and rights must be respected in the current context.
- 83.** Several speakers from all three parties believed that the crisis offered an opportunity to strengthen social dialogue, as had happened in some European countries in the 1980s.
- 84.** The Government delegate of Austria stressed that governments should not leave employers and workers alone, but should take steps to support the social partners and avoid involvement in wage policy.
- 85.** Social dialogue needed institutions, a legal framework, trust and confidence among the parties and a practice. An Employers' delegate from Ukraine said that social dialogue had to be institutionalized at national, regional, sectoral and enterprise levels in order to significantly influence development of decent work and the economy as a whole. This necessitated the proactive participation of governments in the development of social dialogue. A Workers' delegate from the United Kingdom emphasized that when there were no social dialogue mechanisms in place, workers would resort to industrial action as in the United Kingdom.
- 86.** Social dialogue must be strengthened at all levels and in all its forms, including autonomous bipartite collective bargaining and worker participation at the workplace level. A Workers' delegate from Azerbaijan called for efforts to ensure application of the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, which contained provisions on appropriate systems of labour relations in MNEs. A Government delegate of Spain said that social dialogue also needed to deliver social agreements, adding that the promotion of universal social dialogue should be included in the Meeting's conclusions. This statement was supported by the Worker panellist and the Workers' delegate from Belgium.
- 87.** Workers' delegates from Belgium, Lithuania, Netherlands and the United Kingdom called on the ILO to assist in the strengthening of social dialogue knowledge and practice in member States through DWCPs and the dissemination of best practices, including via broader cooperation with the EU.

Quality of working life

- 88.** The ILO representative presented the challenges and possible policies regarding the quality of working life. The main problems were related to wages, working hours, maternity protection, and work and family reconciliation. This was due to the increased number of women workers and single parent families, frequent atypical work and irregular hours, as well as lack of childcare. Data on the employment rates of women and men indicated that women with children had a lower employment rate than men with children. Possible policy solutions included parental leave (though longer periods could have negative impact); child-care allowances; the regularization of part-time work; the use of flexitime or time banking; work sharing; making a cost/benefit analysis of work and family reconciliation measures; and investing in social infrastructure.
- 89.** The Employer panellist from Spain stated that reconciliation was important because the greater number of women at work had increased the available workforce in the labour market. Efficient measures were therefore needed to reconcile work and family. During the crisis, existing standards (regulations) must provide greater flexibility to encourage recruitment. Flexibility must increase productivity, and take into account the needs of employers. The use of flexible measures for work–family reconciliation in the context of the crisis required special attention from the workers. Public authorities should be responsible for providing services allowing work–family reconciliation, such as childcare. Passing this responsibility to the employers could have negative effects on employment. The legislative framework should reflect the needs of enterprises and provide enough leeway for employers to deal with the individual requirements of individual workers. Leave policies should be designed so as not to encourage excessive absences of workers from the labour market.
- 90.** The Worker panellist from Luxembourg stressed the importance of sharing family responsibilities between men and women in order to guarantee equality of treatment in access to employment, training and positions of responsibility. “Flexibility” was all right in principle, but what sort of flexibility? The 1944 Declaration of Philadelphia, which stated that work was not a commodity, should provide guidance: quality of life and working life were profoundly interconnected. In the EU it was possible to draw on EU Directives, but this was not possible for some countries of Central and Eastern Europe and Central Asia. ILO standards were therefore particularly important for them. Wages, working time, health and safety and social protection were elements of the quality of working life. For workers, decent work meant decent salaries: minimum wages were an important means of establishing decent wages. Decent work was an outcome of good collective bargaining agreements. Strong social partners were a precondition for such agreements; the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), provided the basis for strong social partners. The organization of working time was also important for decent quality of work, including the reconciliation of work and family life. She agreed that long periods of parental leave could be disadvantageous for returning to work. Finally, given the economic crisis, the ratification and implementation of ILO standards and tripartite social dialogue were especially important.
- 91.** Various speakers expressed their views on quality of working life. Economic crises or periods of transition had a huge impact on working conditions, the quality of life, and gender relations. While enterprises and workers were profoundly affected by the crisis, the long-term effects of policies, beyond the crisis, should be considered, including their costs. Caring responsibilities included the care of the elderly and other dependants, not just children. Some participants questioned whether the choices made by workers were real choices. For example, part-time work was often imposed on women, and not chosen; young workers were often in precarious employment. The term “work–life balance” meant

different things to different people: some workers wanted to work longer, while others wanted to spend more time with their family. If women still had the “double burden” and did not wish to work long hours, they should have that possibility. There was general agreement that workers should be free to choose longer hours of work, rather than having them imposed, and that collective bargaining was an important tool for obtaining agreed rules and regulations.

Social protection

92. The ILO expert stressed that providing people with social protection was widely recognized as a means of preventing poverty, besides facilitating change and modernization. The need for strong social security systems was particularly felt in periods of crisis: social protection programmes could prevent people from falling into poverty, acting simultaneously as macroeconomic stabilizers. However, countries of the region were not equally well equipped with social protection programmes able to help effectively during recession or economic change. The Report showed that although subregions appeared to be catching up economically, this was not the case in national social policy, especially regarding social protection. Efforts were required to boost investment in social protection in the region’s lower income countries so that all the needy were reached. Over the past decades interest had focused on the implications of demographic change for funding present and future social protection. ILO analysis indicated that increased employment rates, longer working lives and enhanced productivity could significantly reduce the expected economic costs involved in this process. This analysis clearly showed that socially acceptable minimum benefit levels, as foreseen by the relevant ILO Conventions – ratified by many countries in the region – should be extended to all in need. Effective income support, in particular access to labour market and activation policies should be provided to unemployed women and men, minimum pension benefits should be guaranteed to those retiring after shorter or broken working careers and everybody should have access to essential healthcare when necessary. ILO research also showed that even lower income countries could afford such investments in their social security systems.
93. The discussions centred on the standard dilemma of national social security systems: they were most needed when their resources were most scarce. However, there was consensus that social security systems were important economic and social stabilizers, especially in times of crises. Simply cutting benefit expenditure to accommodate budget pressures was not regarded as a rational option. Policies needed to be developed to provide a rational strategy that protected people, stabilized economies and maintained the fiscal sustainability of the systems.
94. When finding the right policy balance, social values and standards as defined in the Declaration of Philadelphia, the ILO Declaration on Social Justice for a Fair Globalization and ILO social security Conventions acquired new prominence in the debate. They were recognized as providing guidance as to the minimum levels of benefits that should be maintained. A Workers’ delegate from the Netherlands called for universal ratification of the Social Security (Minimum Standards) Convention, 1952 (No. 102), and for a renewed effort to increase the number of ratifications of ILO social security standards across the region and asked the ILO to explore the possibility of an instrument that protected informal economy workers.
95. Government delegates of France, Germany, Italy and Spain explicitly recognized that social security provided an essential safety net in times of crisis and stressed that they would not weaken the system, but would pursue specific measures to strengthen the protection of the unemployed, the underemployed and the most vulnerable. The Government delegate from Italy added that such provisions had to be linked with active

labour market policies to avoid a weakening of the economic system. The funding of such measures would most likely require some form of deficit financing from general revenues as it might prove counterproductive to increase contributions in times of crises.

96. The Employer panellist from Spain supported the importance of the role of social security systems as social stabilizers but stressed that benefit systems should not provide adverse incentives that could reduce labour force participation. He stressed the importance of the balance of active labour market policy and unemployment benefit levels.
97. He also emphasized that even in times of financial and economic crisis the reform of national pension systems – notably through the introduction or the strengthening of a privately managed, capitalized second tier – would remain a valid option. The Worker panellist from Luxembourg categorically disagreed and maintained that the privatization of social security systems should be avoided. The ILO should promote solidarity-based social security through constructive social dialogue. A Workers’ delegate from Romania also emphasized the importance of tripartite consultation in policy-making, including in budget allocation. The best means of social protection was decent work and a decent wage: Romania had allocated a budget for poverty reduction and promotion of internal mobility in case of unemployment.
98. A suggestion was made by the Workers’ delegates from Luxembourg, Germany and Cyprus that the ILO should, in the near future, provide constituents with an analysis of the effect of recent pension and social security reforms and the present and emerging patterns of social security financing on the long-term pension and general benefits levels and the role of social security systems as social and economic stabilizers in times of crisis. The ILO representatives said that they would make the results of ongoing research in this respect available in the appropriate form.

Consideration of the report of the Credentials Committee

99. The Meeting took note of the report of the Credentials Committee, which would be brought to the attention of the Governing Body, in accordance with article 9, paragraph 4, of the *Rules for Regional Meetings* (2008).

Consideration and adoption of the conclusions

100. The Employer spokesperson endorsed the conclusions on behalf of her group, on the understanding that there were no amendments and that the conclusions were a package to be debated in the Governing Body. The group would have liked shorter conclusions.
101. The Worker spokesperson also expressed his group’s endorsement of the conclusions, although the group would have liked a bolder statement in this time of crisis. The Workers’ group regretted that the conclusions did not adequately address social dialogue, quality of working life and social security, and felt that reference should have been made to a number of Conventions covering such issues as labour inspection, protection against unemployment and protection of worker’s claims in case of insolvency of their employer, all of which were especially relevant during the crisis.
102. The conclusions were then adopted by the Meeting.

Consideration and adoption of the report of the Meeting

103. Several delegates submitted amendments which were incorporated in the final version of the report. The report was then adopted, subject to the approval of the Governing Body.

Closing of the Meeting

104. The Government Vice-Chairperson, the Employer Vice-Chairperson and the Worker spokesperson, speaking on behalf of the Worker Vice-Chairperson, all reiterated the need to support ILO principles and values in responding to the challenges and seizing opportunities in finding sustainable solutions to the current crisis. The Worker spokesperson was convinced that the ILO would increase efforts in the region and that measurable improvements would be seen by the next European Regional Meeting. The Employer Vice-Chairperson cautioned that, while there were economic links, the basic mandate of the ILO had to be respected.
105. The ILO Regional Director for Europe and Central Asia thanked the delegates for the rich debate, and the guidance received on how best to work together to alleviate the impacts of the crisis on jobs and enterprises in the short and medium term, and develop policies for recovery and reforms in the longer term. She stated that the crisis, due to its global nature, had to be addressed on three levels:
- firstly, it was important to develop urgent measures at the national level, agreed through social dialogue, and using the Decent Work Country Programmes as vehicles for intensified ILO support;
 - secondly, policy responses should be coordinated across borders, with close cooperation with European institutions, with UN agencies and regional networks of governments, employers' and workers' organizations, to help build bridges between the EU Member States and other European and Central Asian countries; and
 - thirdly, the European region had to play a leading role at the global level to foster policy coherence in combating the crisis without losing sight of the need to forge a sustainable development path. The convergence of the Decent Work Agenda and the European Social Model built up a value system based on work and human dignity that could give confidence to people in these extremely difficult times and show the way forward.
106. The conclusions adopted by the Meeting gave the ILO a strong role in using its technical capacity for monitoring and assessing the impacts of the measures taken by governments and for assisting countries to implement anti-crisis programmes by bringing the main actors together. She believed that the Meeting gave not only ideas for meeting the challenges but also hope and energy to cope with the demanding tasks ahead.
107. The Chairperson of the Eighth European Regional Meeting said that, in spite of differences that may have arisen, the Meeting achieved consensus on the causes of difficulties during the crisis. The forces of globalization meant that national and international organizations had a double task: to work together to boost economic recovery and employment, and establish conditions for better regulated and fairer globalization – the basis of the ILO's work in past years. As a consensus was achieved, the Meeting was most positive for the ILO, and made it possible for the Organization to communicate its values to the economic and financial organizations at the international level. He concluded that the Decent Work

Agenda emerged from the Meeting stronger than before, which gave a strong message of support for employers and enterprises, workers' rights and social cohesion.

108. *The Governing Body may wish to request the Director-General:*

- (a) to draw the attention of the governments of member States of the European region and, through them, that of their national employers' and workers' organizations, to the conclusions adopted by the Meeting;***
- (b) to take these conclusions into consideration when implementing current programmes and in developing future programme and budget proposals;***
- (c) to transmit the text of the conclusions:***
 - (i) to the governments of all member States, and through them, to national employers' and workers' organizations;***
 - (ii) to the international organizations concerned, including the international non-governmental organizations having consultative status.***

Geneva, 16 March 2009.

Point for decision: Paragraph 109.

Appendix I

Prime Ministers' panel discussion "Confronting the crisis: Delivering decent work in Europe and Central Asia"

1. The special session was opened by the Director-General of the ILO, who explained that the aim of the discussion was to give policy responses to the crisis from the decent work perspective. Three issues should guide the discussion, namely: key measures to confront the crisis; main areas of cooperation in Europe and Central Asia; and the type of global convergence necessary. At the same time it was important to keep in mind the best ways to increase purchasing power, investment opportunities and social dialogue.
2. Ms Zinaida Greceanii, Prime Minister of the Republic of Moldova, explained that her country had managed to retain some economic stability due to investments in technology, a tax amnesty and reform and liberalization of its economy in 2007, long before the financial crisis. This resulted in the creation of many new jobs, continuous high growth in GDP, and an 80 per cent increase in foreign investment between 2007 and 2008. Focus had been on coordination of the crisis, with the establishment of a tripartite committee to look at budgetary and tax policy and social protection issues and monitor their implementation. The first step towards economic recovery was to improve the banking and credit system. Further priorities included the working conditions and social security issues of Moldovans working abroad, the importance of small and medium enterprises and the necessity to increase exports. This needed to take place in a framework of free movement of goods and services.
3. The Deputy Prime Minister of the Czech Republic, Mr Alexandr Vondra, stressed the seriousness of the current crisis and that solutions could not be found within the next few months. When the financial crisis hit Europe and the United States, the Czech Republic experienced almost no direct impact because the banking sector had been reformed in the late 1990s and did not have the problem of "toxic assets". Furthermore, the debt of Czech households was very low. However, the economy was very export-dependent, with 80 per cent of GDP related to exports, and recession was almost inevitable. A fiscal stimulus package was initiated, particularly for SMEs; the supply side was strengthened by investing in education, research, training and retraining; and, under the impetus of the European Economic Recovery Plan, the Government lowered employers' contributions to sickness insurance by one percentage point. The challenge was now to prevent protectionism and avoid the temptation of States to introduce policy measures which helped their own economies but which might harm others. The Czech Republic was currently preparing for the G-20 meeting in April 2009 with a view to preventing protective measures of Member States.
4. Mr François Biltgen, Minister of Labour and Employment of Luxembourg, agreed with Mr Vondra that it was necessary to avoid piecemeal attempts to combat the crisis and to prevent protectionism. He warned that once the crisis had been solved it would not be possible to return to the initial model of globalization, otherwise the next crisis would hit even harder, especially vulnerable groups. He welcomed the conclusions of the joint statement of the meeting on 5 February 2009 between the German Chancellor and selected international organizations which stressed the relevance of a social market economy and decent work. One of the main problems remained the lack of trust between banks. EU Member States had injected up to 6 per cent of their GDP into the banking sector, but the problem of toxic assets continued, and this had to be urgently addressed. The real economy had to be supported by targeted action, mainly in relation to anti-cyclical policies, a comparative advantage for countries like Luxembourg with low debts, and strengthened purchasing power which could be translated into higher consumption and investment. In

this respect the Government gave tax breaks to those on lowest incomes as they were more likely to spend the money directly. It had not yet developed effective policy responses for the car industry as this was mainly export-oriented. To counteract the rise in unemployment, the Government replaced the redundancy plan by an employment retention plan, with an emphasis on training and retraining. Social dialogue was particularly important to channel fears of people into finding solutions and thereby avoid calls for protectionism and an increase in xenophobia. A national tripartite council and sectoral working groups were formed with a view to achieving this.

5. The Minister of Labour and Social Solidarity of Portugal, Mr José Antonio Vieira da Silva stated that protectionism had to be tackled at three levels. Firstly, at the political level, protectionism had always been an obstacle to sustainable social and economic growth, even though it may stimulate growth in the very short run. Secondly, coordination and harnessing of globalization was necessary to avoid the rise of protectionism in a situation which threatened to create large imbalances between those who produced and those who bought products. Thirdly, the EU needed to coordinate policies on crisis response, including the following four measures: improve liquidity even before the new financial order was established; stimulate demand through investments to recreate trust and confidence, particularly of SMEs; maintain employment, particularly through social dialogue; and, not losing sight of the future upturn, make investments which were compatible with the potential for future growth, such as modernizing schools, the vocational training system, achieving energy autonomy, etc.
6. Mr Jorge Rocha de Matos, President of the Portuguese Industrial Association – Business Confederation, agreed that confidence and trust was needed between institutions in order to maintain confidence between employers and workers. It was time for governments and employers to act together more on ethical principles because there were no purely political or purely business-related problems in the current situation. The greatest challenge remained for SMEs, which comprised 75 per cent of employment in Portugal and 74 per cent of GDP, but which had the greatest capacity to respond to stimuli such as tax incentives and to contribute the most to general improvement of the situation. Five steps were needed to balance present and future needs: (1) special attention to SMEs, with the aim to reduce the administrative burden; (2) promotion of education and lifelong learning; (3) promotion of fundamental principles at work on the basis of ILO standards; (4) prevention of protectionism; and (5) strengthening of liquidity and capacity to promote job-creation and investments.
7. Ms Anne Demelenne, General Secretary of the FGTB, Belgium, regretted that the world of work was being tested daily and that workers were being asked to make sacrifices. Belgium had a strong tradition of social dialogue and an agreement had been signed in December 2008 at the height of the crisis when the Government gave over 20 billion euros to the banks. This should be viewed against the disproportionate lack of investment – only 18 million euros – in green jobs. The agreement made clear that workers were not responsible for the crisis; it took account of the increase in the cost of living and measures to support purchasing power, but there had been little progress since. The workers and their unions would like to see action on the use of sums injected into businesses and the financial sector, particularly when banks recapitalized reserves instead of using them for the benefits of consumers. Enterprises should invest more in research and development, especially in sectors which would be important in the future, and in training. In this respect, employers as well as governments had responsibilities. She advocated new directions rather than resorting to measures which had not worked in the past, such as wage freezes and reductions in social security. The future lay in tackling tax fraud, making better use of savings, and in economic recovery plans.
8. Responding to questions from participants, Mr Biltgen reiterated that countries could not spend more than they had year-on-year; some were able to pursue anti-cyclical policies because they had built up reserves, but even these had to rebuild the balance in the books. Ms Greceanii felt it most important for the State to invest in infrastructure to generate new

jobs. It was also important to maintain wages, and develop bilateral agreements for people working abroad. Mr Vondra emphasized the importance of fiscal stability and warned of the difficulty of smaller European States compared to larger States to access credit, a situation which could lead to instability. Mr Vieira da Silva, responding to the question of the State's role in the economy, stated that if there was anything that could be drawn from the crisis it was that States were regarded as the first point of reliability. Mr Rocha de Matos emphasized the need for full transparency at all levels – national, international, and sectoral – to rebuild trust in institutions.

9. The Director-General, as mediator of the discussion, asked the social partners about the automotive industry and if it were possible to apply social dialogue to get governments together across countries and find equitable solutions to move the sector along. Ms Demelenne said that social dialogue was key in the automotive industry, which was often the backbone of industry, including subcontractors, so the crisis in the sector affected the whole economy.
10. The Director-General wrapped up the panel session by highlighting the following points of the discussions:
 - The ILO Decent Work Agenda was valid at all times, in times of crisis as well as in “normal” times.
 - There was a heightened sense of togetherness, that “we can do it together” to climb out of the current crisis. The identity of the ILO was enshrined in tripartism and social dialogue was essential to help overcome the crisis.
 - Global cooperation was also necessary, especially in a policy and institutional vacuum. The G-20 was taking a leadership role but an institutional space had to be created in the future. The ILO as a tripartite institution had to give thought to the form this institutional space should take, incorporating and integrating the financial, trade, labour market and environmental pillars of the global economic system.

Appendix II

Informal Ministerial Meeting

(11 February 2009)

1. An informal meeting of ministers was held during the Regional Meeting to discuss policy responses to the economic crisis. The meeting was chaired by the Chairperson of the Governing Body of the ILO, Ambassador Zdzislaw Rapacki of Poland, and was attended by ministers and secretaries of state or their representatives, as well as representatives of the Employers' and Workers' groups. As a basis for discussion, participants were asked to address four areas of interest. Firstly, what measures were in place or anticipated to deal with the crisis? Secondly, how could cooperation be improved to deliver Decent Work during the economic downturn? Thirdly, how could the region contribute to global solutions to the issues at hand; and fourthly, what role could the ILO play in alleviating the crisis?
2. The Informal Ministerial Meeting was addressed by Mr Vladimir Spidla, European Union Commissioner for Employment, Social Affairs and Equal Opportunities, who provided an overview of the extent of the crisis and the planned responses for a sustained return to economic growth. He referred to the European Economic Recovery Plan adopted in November 2008 and approved by the European Council in December 2008, which sought to allocate 1.5 per cent of EU GDP to combat the adverse impacts of the crisis, including by stimulating demand and assisting vulnerable segments of society. The objective was not simply to tackle the immediate situation but to develop structural reforms with the active participation of the social partners that contributed to sustainable development. In times of crisis it was important to follow a flexicurity approach, develop better anticipation skills and match jobs, as outlined in the Commission's New Skills for New Jobs initiative, as well as reinforce social protection systems. At the same time reforms must take into account the job potential of the low carbon economy. Commissioner Spidla underlined the key role of the Decent Work Agenda in order to overcome the crisis and reduce its social costs. He also referred to the importance given to the Decent Work Agenda in the EU's enlargement process, in the European Neighbourhood Policy, in relations with the Russian Federation and with Central Asia, and in enhancing global governance in this context. Finally, he confirmed the Commission's commitment to ILO values, noting that the ILO served a key role in setting international labour standards while facilitating advances in the world of work.
3. A wide-ranging discussion was held on the response measures that countries had implemented or were contemplating. To address the mounting retrenchment throughout the region, many governments were seeking to alleviate the immediate impacts on workers and their families of reduced incomes by extending the duration and level of unemployment benefits. With vast numbers of firms affected by declining consumer demand and signalling potential large-scale job losses, programmes were implemented to provide either direct financial assistance to businesses to avert job losses or to supplement the incomes of workers on reduced work schedules. Many governments had introduced income, corporate or payroll tax reductions to provide short-term relief and stimulate demand. A variety of targeted measures were discussed to supplement incomes of particularly disadvantaged groups, including increased minimum wages, enhanced pension benefits, assistance to homeowners in meeting mortgage obligations, financial programmes to encourage young people to remain in school and support for individuals to start their own business.
4. Most participants mentioned skills development as a crucial policy response to the crisis in both the short and long term. In the short term, training programmes helped workers adjust to change by enhancing their employability to find new jobs. It was important to anticipate growth sectors – such as in the green economy – to guide workers in seeking skills upgrading that would most likely result in employment. In the long term, investments in

education, skills and lifelong learning could contribute to a more dynamic economy by enhancing labour market mobility and competitiveness. Thus, many countries had designed subsidy programmes for workers seeking training or for enterprises to upgrade the skills of their workforce and assist in restructuring. Measures had also been introduced to strengthen public employment services in response to burgeoning numbers of unemployed. Employment services provided a crucial role in labour market mediation by matching jobseekers with vacancies, offering vocational guidance and job training. New employment services offices had been opened and efforts made to expand services as well as to provide more rapid response measures, particularly in the case of mass worker dislocation.

5. An overwhelming majority of participants mentioned new or expanded programmes for infrastructure development as a key component of stimulus packages. Infrastructure investments had the potential to provide a rapid expansion in employment, particularly in construction but also in a range of service-related industries including education and health. A number of countries had introduced sector-specific initiatives, either to assist ailing industries, crisis regions or to promote areas of potential long-term growth, for example development of the green economy. In addition to boosting employment in the short term, infrastructure investments could provide long-term benefits in building more dynamic and environmentally sustainable economies, as well as contributing broadly to social welfare and development.
6. Adherence to the principles of the Decent Work Agenda and the Declaration on Social Justice for a Fair Globalization were frequently referred to. Participants stressed that, in the face of economic and social turmoil, countries should not abandon or dilute core values. The four strategic objectives of the ILO – promoting employment; developing and enhancing measures of social protection; promoting social dialogue and tripartism; and respecting, promoting and realizing fundamental principles and rights at work – were inseparable, interrelated and mutually supportive. The social partners must play a vital role in the design, implementation and monitoring of crisis response measures and their active involvement would result in more effective and socially just outcomes.
7. International cooperation was frequently cited as critical in addressing the economic downturn. The crisis had demonstrated that the global financial system was inadequate, regulation was weak and that coordinated responses were needed. There was a real threat that governments would establish new trade barriers in an effort to protect national markets, seriously exacerbating the situation and reversing progress in development. A strengthened multilateral system was crucial to ensure that recovery was socially, environmentally and economically sustainable. Participants stressed that great benefits could be derived from sharing national experiences in good development practices; the multilateral system was ideally suited to facilitate information exchange and promote effective solutions. The European Union, with its strong traditions of social protection and social dialogue, should play a leading role in guiding crisis response. A number of participants noted that, within the European region, cooperation and dialogue with the countries of the non-EU members in Eastern Europe and Central Asia should be strengthened.
8. There was broad consensus that the ILO had a vital role to play in the multilateral system, and that the economic crisis had brought to the fore its relevance in the global context. The Decent Work Agenda was a framework within which the range of response measures, both those required urgently and those contributing to long-term progress, could be formulated. The Eighth European Regional Meeting had profoundly added to the Office's knowledge of the serious problems at hand and what countries were doing to address the challenges. The forthcoming G-20 meeting in London would be another opportunity further to clarify much needed action. Moreover, the ILO's Governing Body at its 304th Session would consider what additional responses the Office should take, for example whether the economic crisis should be included on the agenda of the 98th Session of the International Labour Conference (June 2009).

Appendix III

Conclusions of the Eighth European Regional Meeting of the ILO

Working out of crisis: Strategies for Decent Work in Europe and Central Asia

I. Meeting the challenges to decent work, sustainable enterprises and social cohesion

1. The scale of the challenges to employment, decent work, sustainable enterprises, social security and social cohesion, caused by the most serious economic crisis to hit Europe for 60 years, dominated discussions at the Eighth Regional Meeting for Europe and Central Asia of the International Labour Organization held in Lisbon, Portugal, from 9 to 13 February. Much of the progress made in recent years in improving the labour market situation in the region, and creating decent jobs, could be reversed. All policy-makers and ILO constituents must work together to overcome the crisis. This is an extraordinary situation.
2. The Meeting furthermore emphasized the significance of social dialogue as a key means of developing strategies to counter the recession and securing the commitment of governments, employers and unions to their implementation. At a time when confidence was at a low ebb, participants emphasized the value of strengthened mechanisms of social dialogue to overcome mistrust and finding agreed ways forward.
3. All participants stressed the need for integrated and coordinated policy responses to reverse the downward spiral in economic activity. They highlighted the requirement to work together for a sustainable recovery that would generate decent work opportunities throughout the region, contribute to global development and social justice for a fair globalization while staving off the risk of protectionist responses. Creating a conducive environment for sustainable enterprises was a necessary foundation. The Meeting agreed that it was essential to preserve open markets. Guarding against deflation and creating decent work opportunities for all was the best way to do this.
4. ILO constituents pledged to remain extremely vigilant regarding the risks of a resurgence of political reactions to rising unemployment and social exclusion in the form of race and religious hatred, discrimination against immigrants or ethnic minorities, victimization of union representatives and protectionist economic policies that would aggravate the crisis.
5. Representatives of governments, employers' and workers' organizations examined a series of Reports by the Director-General and discussed strategies for working out of the crisis that place Decent Work as a key element in policies for recovery and reform. They recognized that each country of the region needed specific approaches to national priorities while a region-wide strategy was also needed to buttress social cohesion and maximize the positive effect of stimulus measures on enterprises, jobs and incomes. They recognized the need for concerted action and solidarity within and between the countries of the region.
6. The Meeting also underscored the importance of the region playing a leading role in developing and implementing globally coordinated responses to the crisis based on the

2008 ILO Declaration on Social Justice for a Fair Globalization (Social Justice Declaration) and its accompanying resolution.

7. The Social Justice Declaration recognizes the ILO responsibility to examine and consider all international economic and financial policies in the light of the fundamental objectives of social justice. The crisis imparts added urgency to the Declaration's objective of strengthening the ILO's constituents' capacity to address the challenges of an ever more closely integrated global market economy. It furthermore highlights the vital importance of ensuring that policies for recovery and reform build the strong foundations for social justice essential to a fair and sustainable globalization. Participants recalled the commitment in the Declaration that "the violation of fundamental principles and rights at work cannot be invoked or otherwise used as a legitimate comparative advantage and that labour standards should not be used for protectionist trade purposes".

(i) Impact of the crisis on employment and labour markets

8. The severity of the economic crisis is affecting a large number of workers on the labour market including many who had secure jobs. In a number of countries women, young people and migrant workers are particularly affected as temporary and short-term contract employees are laid off. Vulnerable groups on the labour market are a cause for concern as they have less access to social protection. In countries where social security systems are weak, laid-off workers are likely to be forced into the informal economy where most women and men struggle to survive. Until more normal conditions return to credit markets, the threat of wage cuts, further lay-offs and rising unemployment will remain.
9. Restoring growth, increasing its employment content and making it less volatile in the future are essential to the successful pursuit of the Decent Work Agenda. In this respect, it is vital to ensure that:
 - coordinated economic stimulus packages are designed to expand aggregate demand, avoid deflationary spirals and to maintain employment and decent work opportunities;
 - reformed finance markets supply the capital needed by sustainable enterprises for productive investment and decent work;
 - sustainable enterprises, particularly smaller firms, are assured of adequate financing and readied for the recovery;
 - fundamental principles and rights at work are safeguarded and international labour standards of particular relevance in the crisis promoted;
 - public investment and public procurement respect fundamental human rights at work;
 - skills development, quality training and education opportunities are increased to prepare for recovery;
 - institutions for social dialogue are fully utilized to share information and determine agreed policy responses;
 - the most vulnerable members of the population are well protected and workers do not become separated from the labour market or become working poor;

- employers, wherever possible, retain workers who will be needed when markets recover, such as through agreements on shortened working hours to maintain employment; and
- opportunities to invest in jobs and infrastructure are seized, including for a low carbon economy.

(ii) Creating conditions for stable and sustainable growth

10. Many countries in the region have recently announced stimulus packages to mitigate the consequences of the recession. The magnitude and content of the packages adopted vary significantly. Further attempts to promote coordinated action across the region may be required to gain the full advantage of the multiplier effects of all countries moving at the same time to inject spending power into the European economy.
11. A new stronger international regulation of finance markets is needed to prevent the build up of the systemic risks that the previous arrangements have failed to cover. From the perspective of the productive economy, the key issues are stability in the provision of capital and incentives to ensure that medium to long term productive investment and employment is favoured over short term speculation. Commitment to a new system that will prevent the excesses and abuses of the past is a key part of restoring confidence of workers and enterprises in the globalization process.
12. Such measures should be coordinated with the region's global partners, not least because uncoordinated measures can lead to countries trying to block the "leakage" of their stimulus through protectionist measures. Europe should lead the way in maintaining and expanding development aid and other investment flows to vulnerable countries. In addition to having a specific European dimension, policy responses should also be part of a global effort to stimulate a recovery leading to a more sustainable path for a fair globalization.

(iii) Sustainable enterprises

13. Promoting an environment conducive to sustainable public and private enterprises is a vital foundation for recovery, growth and poverty reduction. Restoring a more normal supply of working and medium- to long-term investment capital is an urgent priority to avoid serious damage to the productive base of a number of countries. Smaller enterprises are experiencing particular difficulty in restoring credit lines. Measures such as access to financing (e.g. credit, leasing, venture capital funds or similar new types of instruments), enabling policies and regulations, and support to entrepreneurship can boost the capacity of small and medium-sized enterprises – including cooperatives and social enterprises – to maintain employment and create new jobs.
14. An important element of a conducive environment for sustainable enterprise is a well-functioning financial system providing the lubricant for a growing and dynamic private sector, as envisioned in the conclusions of the 2007 International Labour Conference. Stable and trustworthy capital markets for the supply of investment and working capital are vital to sustainable enterprises and decent work.
15. Especially during the recession many enterprises may wish to extend or develop their use of corporate social responsibility initiatives to complement their pursuit of sustainable strategies and outcomes. In this regard, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy provides guidance on good corporate behaviour and citizenship.

II. Labour markets and the challenges ahead

16. Six key themes in the labour market challenges facing the European and Central Asian region in the period ahead were examined in detail by the Meeting.

(i) Economic context and employment situation

17. The crisis is affecting all ILO constituents. Solidarity and coordinated action between and amongst these constituents are essential to guarantee a sustainable recovery and growth in employment.
18. There was a broad consensus regarding the need for greater policy coherence at national, regional and global levels, particularly between the EU and international financial institutions' anti-crisis programmes in Europe and Central Asia, and through the increased use of processes like the European Economic Recovery Plan.
19. The Meeting noted that action had been, and continues to be, taken to resolve the problems of the financial sector and implement stimulus packages to boost the economy. The need for coordinated and coherent global action to regulate the financial sector to bring the liquidity, stability and equity required for sustainable and stable growth of enterprises and jobs was highlighted.
20. To mitigate the impacts of the crisis and prepare the recovery, the Meeting underlined a series of measures that are needed and where the ILO has added value in terms of knowledge, experience and partnerships. There is a need to avoid protectionism in all its forms, which can only exacerbate the effects of the crisis in the longer term. There must be sufficient liquidity in financial systems at the national, regional and global levels to allow investment, expanded employment and sustained consumer demand. It is necessary to also avoid the risk of a downward spiral of wage cuts and "beggar-thy-neighbour" policies across the region. Investment should be increased in a range of infrastructure projects, including those aimed at a low carbon economy and particularly through small and medium enterprises.
21. Containing and overcoming the impact of the crisis can be facilitated by improving coherence between macroeconomic and employment policies. Delegates from across the region emphasized strongly that now is the time to invest much more in active labour market policies and programmes to train and retrain workers for the recovery with the skills they need for the future. Cuts in education and training should be avoided and wherever possible increased investments undertaken to prepare women, men and young people for employment. The lifelong learning approach to education and skills needed to be further reinforced to prepare for recovery.
22. Job-placement schemes and targeted employment services free of charge to jobseekers should be developed, enlarged and improved with a special focus on workers facing the greatest difficulty in re-entering the labour market. Policies to maintain and create employment should assist those more vulnerable to exclusion from decent work opportunities, such as women, workers at the start and towards the end of their working life, migrants, minorities, workers in precarious forms of employment and those engaged in informal working arrangements. Employment policies should aim to encourage employers to wherever possible retain workers who will be needed when markets recover, hire new employees and prepare workers for a continuously changing labour market.

(ii) New wage challenges

23. Common concerns were shared by governments, and employers' and workers' organizations around the rise in atypical and low-paid employment. Participants stressed the importance of social dialogue for shaping social and economic policies, including wage

policies. In this context, the significance of collective bargaining was also highlighted as an efficient means to adjust wages to changing market situations so that they can be aligned to productivity levels, taking into account inflation, thus providing decent work for all. The need to respect and safeguard the freedom and autonomy of social partners in fixing wages through collective bargaining was voiced by both Worker and Employer representatives. Concern was also expressed with regard to the decline in collective bargaining coverage and the fall in the wage share of GDP in many countries. Some suggestions were put forward to counter these trends including through extension mechanisms of collective agreements and procurement policies, among others.

24. There was consensus among all participants about the need to respect national industrial relations practices in wage determination. Many highlighted the diversity of minimum wage fixing mechanisms across countries. The Meeting stressed the need, especially in the present economic downturn, to protect decent working conditions of those worst hit by the crisis, many of whom are women, as a means to avoid further fragmentation of labour markets and preserve social cohesion. Many delegates requested that the ILO continue to produce comparative data and information on wage developments and share good practices with a view to assisting national actors and institutions that are ultimately responsible for their wage policy.
25. Many enterprises are resorting to short-time working or extended temporary shutdowns during the slowdown. Such measures may help secure the survival of enterprises and their longer term competitiveness. Such arrangements though should be negotiated and should accommodate the needs of individual workers, including their family responsibilities.

(iii) Fundamental rights at work and international labour standards

26. The ILO Declaration on Fundamental Principles and Rights at Work (1998) is an important defence against the risk that recession may lead to an increase in worker exploitation. The European and Central Asian region is very close to achieving 100 per cent ratification of the eight Conventions referenced in the Declaration. The Meeting pledges to increase its efforts to promote full respect for fundamental principles and rights at work.
27. The Meeting stressed that freedom of association and the effective recognition of the right to collective bargaining are particularly important to enable the attainment of the four strategic objectives of the Decent Work Agenda. These rights are universally recognized as fundamental, are enshrined in international labour Conventions No. 87 and No. 98 and their application is monitored by the ILO supervisory system. The Meeting recalls that the right to freedom of association applies to employers and workers.
28. It is of key importance to ensure that the interpretation and implementation of freedom of association and collective bargaining at regional and subregional level is fully consistent with international labour standards and the ILO supervisory system.
29. The Conventions and Recommendations of the ILO constitute a rich reference of international labour standards many of which articulate principles of particular relevance during periods of economic difficulty. International cooperation to counteract the crisis is greatly facilitated by the large measure of mutual understanding and common practice in the region regarding the application of ILO standards. The Meeting encourages Members to avail themselves of the advice and support of the ILO when planning changes in labour laws which should also aim to enable increased ratification of up to date Conventions.
30. The Meeting noted that all countries of Europe and Central Asia had ratified Convention No. 111 on discrimination in employment and occupation and expressed interest in strengthening the status of the Convention and extending the seven prohibited grounds of discrimination listed in this instrument. It also suggested that the International Convention on the Protection of the Rights of all Migrant Workers and Members of the Family,

designated a core human rights instrument in the UN, should be considered for ratification by countries of the region.

(iv) Labour market policies to reconcile flexibility and security

31. The Meeting discussed the importance of policies that can facilitate labour market adjustments during expansionary periods but also in the context of the current financial and economic crisis. The flexicurity approach, supported by the interaction of employment-promoting macroeconomic policies, skills training and lifelong learning, job-search assistance, active labour market policies, adequate social security coverage and effective social dialogue, offered a useful policy mix to balance flexibility and security for enterprises and workers.
32. With a well-balanced policy mix, flexicurity can respond to changing market and technological conditions without compromising worker security. The appropriate balance of interest between enterprises and workers can effectively be determined through negotiations involving governments, and employer and worker organizations making full use of the Decent Work Agenda.
33. The ILO's Global Employment Agenda offers a well-balanced approach which seeks to ensure both the security workers and employers need to invest in improved productivity and the flexibility they need to adapt to changing market and technological conditions.

(v) Social dialogue

34. Counteracting the adverse impact of the recession on labour market conditions and contributing to recovery efforts requires well designed policies and programmes appropriate to specific country situations. Social dialogue at appropriate levels from the workplace to the national, as determined by the parties, is an important mechanism for developing broad-based support and commitment to efforts to overcome the crisis and build a better future for working women and men.
35. The Meeting heard encouraging reports of a wide variety of social pacts and labour agreements reached despite the pressures of economic setbacks. Given the interdependence of economic and social conditions, the need for various forms of international dialogue is increasing within multinational enterprises, at sectoral level and in relation to coordinated recovery measures.
36. The Meeting stressed that good labour–management relations can help to mitigate hardship, facilitate recovery measures and contribute to fair sharing of adjustment costs. Crisis-related measures have been increasingly on the agenda of the tripartite and bipartite negotiations and consultations since the beginning of this year; collective bargaining can help overcome difficult situations related to restructuring in many enterprises.
37. Labour administration and inspection services should be maintained and, if necessary, strengthened and modernized. Responsive and well-qualified labour administration and inspection services provide protection for workers and support responsible employers in meeting labour standards. Furthermore their advice can help improve working conditions, productivity and competitiveness. They are needed more than ever during an economic slowdown.

(vi) Social protection and quality of working life

38. European countries with comprehensive social security systems are better placed both to generate recovery and to protect those made vulnerable by the crisis. Existing social security systems are a major component of the so-called “automatic stabilizers” that act to

counter downturns in the economy. In countries without comprehensive systems, the extension of social security to all, including measures to provide basic income to all in need of such protection, and adapting its scope and coverage to meet the new needs and uncertainties generated by the speed of technological, societal, demographic and economic changes is a priority.

39. The reconciliation of paid work with family life and care responsibilities has increasingly been recognized as essential for the quality of working life. Work-family reconciliation policies can be a useful tool to promote gender equality in the world of work as well as to offset the impacts of the crisis on workers with family responsibilities.
40. As the recession deepens, the numbers of unemployed and the length of time they are out of work is rising rapidly all over the region. It is vital to ensure that the unemployed are able to maintain themselves and their families and to not fall into poverty with all the risks this entails of becoming permanently detached from the workforce. Income support should be part of policies to facilitate rapid reactivation of the unemployed into productive employment.
41. In social security systems that include fund-based pension schemes, public support may be needed to ensure that if such schemes are weakened by the steep fall in stock markets they are not forced to sell assets at distressed prices to meet current obligations for retirees. This would further drive down equity prices and threaten future pensions. Looking to the longer term, funded supplementary schemes must become a sustainable part of comprehensive social security systems.
42. The Meeting further requests that urgent consideration be given to new forms of financial support for social investment in vulnerable countries both within the region and in other continents. It is essential that countries most severely exposed to the credit freeze are able to maintain essential social services and poverty alleviation schemes. The ILO is prepared with its Decent Work Agenda to cooperate fully in the development of new integrated approaches to social investment.

III. The way forward

43. The tripartite constituency of the ILO in Europe and Central Asia, aware of the grave risks to the well-being of the people of the region and its partner countries around the world, reaffirm their commitment to the enduring values of the ILO in this its 90th year. Respect for fundamental principles and rights at work, especially freedom of association and the effective recognition of the right to collective bargaining, underpin the social dialogue mechanisms needed to overcome the crisis. They enable the ILO's constituents to express the concerns and interests of the real economy of the region on which its future prosperity depends.
44. The Meeting examined several ways in which the ILO and its constituents could ensure that their concerns for the building of a sustainable recovery and a stronger social dimension to a new architecture for the governance of globalization could be expressed. This would stretch from the search for workplace solutions to the challenges posed by the crisis through enterprise, industrial, national, regional and global forums for discussion and decision-taking. Each of the constituents recognized their own specific responsibilities as well as the value of jointly agreed ways forward. The Organization offers an essential means for constituents to support and strengthen each other in the difficult days ahead and its Office stands ready to assist wherever possible.

(i) Further development of Decent Work Country Programmes

45. Decent Work Country Programmes have proved to be a valuable means for the ILO and its constituents to develop integrated approaches to the implementation of the Decent Work Agenda. Furthermore they enable a closer collaboration with other relevant international agencies in support of national development priorities. The Meeting calls for the increased participation of constituents in the Decent Work Country Programmes. The Social Justice Declaration requires a refocusing of ILO assistance so as to be more relevant to the needs of constituents. In the period ahead, constituents should review current Decent Work Country Programmes in the light of the challenges posed by the crisis and the adaptation of priorities that may be required
46. The Meeting welcomes the technical assistance Members are giving to the ILO's programmes in the region and urges those in a position to do so to further increase this important means of mutual support.

(ii) Regional activities

47. The Decent Work Agenda should be strongly supported in Europe and Central Asia both as a policy framework for the countries of the region and also as a strategy to underpin international sustainable development policies.
48. The Meeting welcomed the increase in collaboration between the ILO and the institutions of the European Union. It also appreciated the extensive work undertaken by the ILO with countries of South-East Europe and within the Commonwealth of Independent States. Such work is even more needed to support the Decent Work Agenda and integrated responses to the crisis in the region. The usefulness of a peer review process on employment policies in South-East European countries was noted with interest.
49. The Meeting requests the ILO to continue to develop its region-wide and subregional activities and further strengthen the cooperation with the European Commission. It is essential that activities are subject to regular evaluation so as to strengthen their effectiveness. The Meeting called for a continuation of assistance to countries in need of ongoing ILO support.

(iii) The ILO in the world

50. The Meeting recognized the growing appreciation of the importance of a strong social and employment dimension to global efforts to roll back the crisis, stimulate sustainable recovery and shape a fair globalization. This calls for a strong role for the ILO in the various forums of discussion and decision taking including the G-8, G-20 and other groupings as well as the United Nations and the multilateral system.
51. The Meeting noted with appreciation the engagement of many European leaders in the process of building a strong role for the ILO into a new more coherent system for the governance of globalization and called for still further efforts in this regard.

(iv) Commitments of constituents

52. Governments, employers' and workers' organizations at the Meeting stressed the urgent need for effective social dialogue and collective bargaining due to the gravity of the crisis and the serious problems it is causing for enterprises and working women and men.
53. Government representatives reaffirmed their commitment to strengthen the ILO's practice of genuine tripartite dialogue and respect for international labour standards including the promotion of freedom of association and the right to collective bargaining. Governments

should facilitate the work of organizations of employers and of workers, strictly applying principles of freedom of association and voluntary membership, and refraining from interference that could restrict the right to freely join those organizations. Independence, democracy and representativity are essential for effective social dialogue

54. Government representatives reaffirmed their commitment to strengthening the practice of tripartite dialogue and to respect international labour standards, including freedom of association and the promotion of collective bargaining

(v) Proposals for future work by the ILO

55. The Meeting therefore requests the Governing Body to consider the following proposals for activities to support constituents' capacities to respond to the crisis and reach the ILO's objectives in the context of globalization. It is suggested that the Office:

- (a) continue to monitor and provide fact-based analysis on the employment, labour and social impact of the crisis in the region;
- (b) assist countries in improving conditions for new enterprise creation and development;
- (c) provide an assessment of employment and social protection support measures and strive to increase its assistance to countries seeking to build their capacity to administer and finance basic social security systems;
- (d) target standards promotion activities on up to date Conventions of particular relevance in the crisis;
- (e) facilitate social dialogue where requested and monitor and report regularly on the way in which constituents are using and developing social dialogue in response to the crisis;
- (f) collect and analyse information on the impact on employment of emergency measures to normalize credit flows and the various reform proposals under consideration, in collaboration with the relevant international institutions;
- (g) support constituents in mitigating the effects of the crisis including by providing advice on how to achieve policy coherence consistent with decent work objectives;
- (h) where requested, assist in developing integrated approaches to promoting decent work in countries hard hit by the crisis, in collaboration with international and regional organizations with mandates in closely related fields;
- (i) producing data and information on wage trends development across the region and sharing good practices with a view to informing national policy-making. Upon request, the ILO could provide technical assistance to governments as well as the social partners on wage policy-related issues;
- (j) the ILO should promote the Decent Work Agenda within the multilateral system, including the G-20 process, the international financial institutions and the EU.

* * *

Delegates warmly thanked the Government and social partners of Portugal for their hospitality and invaluable support for the organization of the Eighth Regional Meeting.

Appendix IV

Report of the Credentials Committee

1. The Credentials Committee, which was appointed by the Meeting at its first sitting, met on 10, 11 and 12 February 2009, in conformity with article 9 of the Rules for Regional Meetings, to examine the credentials of the delegates and technical advisers accredited to the Meeting, as well as any objections, any complaints concerning the non-payment of travel and subsistence expenses of delegations, and any other communications.
2. The Committee was composed as follows:

Chairperson: Ms Inge Piso (Government delegate, the Netherlands)

Vice-Chairpersons: Ms Lidija Horvatić (Employers' delegate, Croatia)

Mr Yves Veyrier (Workers' delegate, France)
3. Credentials that have been received in respect of the members of the delegations have been submitted in the form of official instruments, official letters, or facsimiles. Scanned copies of such documents sent by electronic mail have been considered as equivalent to facsimiles.
4. The Committee drew the attention of the Governments to the importance of respecting article 1, paragraph 3, of the abovementioned Rules, according to which credentials must be deposited at least 15 days before the opening of a Meeting (i.e. 26 January 2009 for this Meeting). The Committee was concerned that credentials from only 30 (four less than in 2005, in relation to the Seventh European Regional Meeting held in Budapest) of the 51 Members invited were received within that time limit. Furthermore, some Members filed their credentials just before the Meeting. Since this information serves as the basis for objections to the credentials of delegates or their advisers, the absence of full information before the beginning of the Meeting was a concern to the Committee.

Composition of the Meeting

5. By the time of the adoption of this report, and as reflected in the table in Annex A, out of the 51 member States invited to attend the Meeting, 44 Members had sent credentials. The Meeting was composed of 85 Government delegates, 42 Employers' delegates and 42 Workers' delegates, i.e. 169 delegates in all. In addition, the Meeting comprised 73 Government advisers, 49 Employers' advisers and 82 Workers' advisers, amounting to a total of 204 advisers. Persons appointed as both substitute delegates and advisers have been included among the advisers. The total number of accredited delegates and advisers thus amounted to 373.¹
6. Regarding the number of delegates and advisers having registered, there were 79 Government delegates, 38 Employers' delegates and 41 Workers' delegates, making a total of 158 delegates. The total number of advisers amounted to 190, of whom 67 were Government advisers, 48 Employers' advisers, and 75 Workers' advisers. Annex B to this report contains more detailed information on the number of delegates and advisers registered for the Meeting, amounting to a total of 348.²

¹ In 2005, at the Seventh European Regional Meeting, the total number of accredited delegates and advisers was 442 (182 delegates and 260 advisers).

² In 2005, at the Seventh European Regional Meeting, the total number of registered delegates and advisers was 400 (172 delegates and 228 advisers).

7. The Committee noted that the delegation of one member State represented at the Meeting (The former Yugoslav Republic of Macedonia) was exclusively governmental. In addition, the delegation of Azerbaijan comprised the Workers' delegate, and not the Employers' delegate, while the delegation of Kazakhstan comprised the Employers' delegate, and not the Workers' delegate.
8. The Committee noted that three delegations represented at the Meeting had only one and not two Government delegates as required by article 1, paragraph 1, of the Rules (Belarus, Bosnia and Herzegovina, and Georgia).
9. With regard to the resolutions concerning the participation of women in ILO meetings, adopted by the International Labour Conference at its 67th and 78th Sessions (June 1981 and June 1991), the Committee noted that 59 of the 172 delegates and 68 of the 136 advisers who were accredited to the Meeting were women. Women represented 34.3 per cent of the total delegates and advisers. The Committee noted with particular concern that seven delegations contained no women delegates or advisers (Albania, Azerbaijan, Belarus, Georgia, Israel, The former Yugoslav Republic of Macedonia, and Turkey). The Committee, recalling that the United Nations had set a target of increasing the proportion of women in decision- and policy-making bodies to at least 30 per cent which was referred to by the Director-General in the letter of convocation sent to the Members, noted with pleasure that this target has been achieved at this Meeting and called upon the constituents to strive to increase even more representation of women in delegations to the future ILO meetings.
10. Three Prime Ministers or Deputy Prime Ministers, as well as 26 Ministers or Vice-Ministers of 24 member States of the region, attended the Meeting.
11. All three Officers of the Governing Body attended the Meeting in accordance with article 1, paragraph 9, of the Rules for Regional Meetings.
12. Seven member States of the region were not represented (Iceland, Latvia, Kyrgyzstan, Montenegro, Tajikistan, Turkmenistan and Uzbekistan). In this connection, the Committee hoped that all member States would in future participate in Regional Meetings and that appropriate steps would be taken to this effect.

Observers

13. On the basis of a standing invitation, the Holy See appointed an observer delegation to the Meeting.

Representatives of official international organizations

14. Of the official international organizations invited to attend the Meeting, in conformity with article 1, paragraph 8, of the Rules for Regional Meetings and in accordance with the relevant agreements or decisions of the Governing Body, the following were represented:
 - Food and Agriculture Organization of the United Nations
 - European Union, including the European Commission, the European Parliament, the European Foundation for the Improvement of Living and Working Conditions, and the European Training Foundation
 - Regional Cooperation Council for South-Eastern Europe

Representatives of non-governmental international organizations

15. The non-governmental international organizations invited to attend the Meeting in conformity with article 1, paragraph 8, of the Rules for Regional Meetings that were represented were:

- International Trade Unions Confederation
- International Organisation of Employers
- World Federation of Trade Unions
- Business Europe
- General Confederation of Trade Unions

Objections

16. The Committee received no objections. The Committee welcomed the fact that Governments and social partners seemed to have observed the rules established by the ILO Constitution and the Rules for Regional Meetings regarding the nomination of delegates.

Complaints

17. The Committee received two complaints concerning the obligation of Members to pay travel and subsistence expenses of their tripartite delegations in accordance with article 1, paragraph 1, of the Rules for Regional Meetings.

Complaint concerning non-payment of the travel and subsistence expenses of the Workers' delegate of Armenia

18. The Committee had before it a complaint, submitted by the International Trade Union Confederation (ITUC), concerning the non-payment of the travel and subsistence expenses of Mr Eduard Tumasyan, President of the Trade Unions Confederation of Armenia and Workers' delegate to this Regional Meeting.
19. The complaint alleged that the Government of Armenia had not honoured its commitment to pay the expenses to the Armenian Workers' delegate for his participation in the Meeting.
20. In response to the Committee's invitation to comment on the substance of the complaint, Mr Arsen Hambarzumyan, Minister of Labour and Social Issues of Armenia, stated that due to the current economic crisis it was not possible to allocate the necessary resources, not only for the social partners but also for the Government delegate. The Government expressed its readiness to implement obligations in future arising from ILO membership.
21. The Committee acknowledged the difficult financial situation that many member States were facing at this moment and could understand the financial burden that the participation of a full tripartite delegation to the Meeting implied. However, it noted that two Government titular delegates coming from the capital had registered, including the Minister himself. The Committee also noted that the Employers' delegate, although duly accredited, had not registered. The decision was incompatible with the Government's obligation under article 1, paragraph 1, of the Rules for Regional Meetings to cover the expenses of a complete tripartite delegation. The Committee noted that the financial crisis had not only an impact on governments, but even a greater impact on the social partners and their possibility to cover their own expenses. The Committee, therefore, trusted that the Government would meet its duty to cover the travel and subsistence expenses of the Workers' delegate for the entire duration of the present Meeting, and that, in the future, the Government would comply with its obligations in this respect.

Complaint concerning non-payment of the travel and subsistence expenses of the Workers' delegate of Ukraine

22. The Committee had before it a complaint, submitted by the International Trade Union Confederation (ITUC), concerning the non-payment of the travel and subsistence expenses of Mr Grygorij Osovyi, Deputy Chairman of the Federation of Trade Unions and Workers' delegate to this Regional Meeting.
23. The complaint alleged that the Government of Ukraine had not honoured its commitment to pay the expenses to the Ukrainian Workers' delegate for his participation in the Regional Meeting. According to the information received, the Vice Prime Minister indicated that the Government due to the current crisis could not cover the participation of the social partners and that it invited Mr Osovyi to cover his own costs.
24. In its response to the Committee's request for information, the Government responded that due to the current crisis, it decided to be represented only by its Embassy in Lisbon, and not to send anyone from the country. Consequently, it requested the social partners' delegates to cover their own expenses relative to their participation in the Meeting.
25. The Committee acknowledged the difficult financial situation that many member States were facing at this moment and could understand the financial burden that the participation of a full tripartite delegation to the Meeting implied. It noted that the only Government representative registered was the Ambassador in Lisbon, confirming the position expressed by the Government. However, while a number of governments could rely on the support of their diplomatic representations in Portugal to ensure participation of a governmental delegation, the social partners could not rely on such a system. The decision not to cover expenses of the Workers' delegate was incompatible with the Government's obligation under article 1, paragraph 1, of the Rules for Regional Meetings to cover the expenses of a complete tripartite delegation. The Committee noted that the financial crisis had not only an impact on governments, but even a greater impact on the social partners and their possibility to cover their own expenses. The Committee, therefore, trusted that the Government would meet its duty to cover the travel and subsistence expenses of the Workers' delegate for the entire duration of the present Meeting, and that, in the future, the Government would comply with its obligations in this respect.

Communications

26. The Committee received three communications regarding incomplete delegations. As the Committee did not have the same competence as the Credentials Committee of the International Labour Conference, it only presented communications to the Governments concerned inviting them to present their comments, if they so wished.

Communication regarding incomplete delegation of The former Yugoslav Republic of Macedonia

27. The International Trade Union Confederation (ITUC) brought to the attention of the Committee the fact that the delegation of The former Yugoslav Republic of Macedonia was exclusively governmental and, given that it did not comprise either Employers' or Workers' delegates, was not composed according to the provisions of article 1, paragraph 1, of the Rules for Regional Meetings. The ITUC requested the Committee to seek an explanation from the Government and recommended that the Government comply with the Rules regarding the composition of delegations.
28. The Committee did not receive any reply from the Government. It wished to recall that there was an objection regarding the nomination of the Employers' delegate at the 97th Session of the International Labour Conference (2008). The matter might be raised again at this year's session of the Conference.

Communication regarding incomplete delegation of Kazakhstan

29. The Committee received a communication sent by the International Trade Union Confederation (ITUC) concerning the fact that the delegation of Kazakhstan was incomplete as it did not comprise the Workers' delegate, and was therefore not composed according to the provisions of article 1, paragraph 1, of the Rules for Regional Meetings. The ITUC requested the Committee to seek an explanation from the Government and recommended that the Government comply with the Rules regarding the composition of delegations.
30. In its response to the Committee's request for information, Mr Berdibek Saparbaev, Minister of Labour and Social Protection, explained that the Government had intended to include Mr Siyazbek Mukashev, Chairman of the Federation of Workers, in the delegation, but he did not accept, due to previous commitments. That was the reason why his name was not included in the credentials.

Communication regarding incomplete delegation of Latvia

31. The International Trade Union Confederation (ITUC) brought to the attention of the Committee the fact that the delegation of Latvia, as mentioned in the Provisional list of delegations, was exclusively governmental and, given that it did not comprise either Employers' or Workers' delegates, was not composed according the provisions of article 1, paragraph 1, of the Rules for Regional Meetings. The ITUC requested the Committee to seek an explanation from the Government and recommended that the Government comply with the Rules regarding the composition of delegations.
32. Before the Committee could communicate this request officially, the Government withdrew its accredited delegation from the Meeting.
- * * *
33. The Committee recalled that the Director-General was requested by a decision adopted by the Governing Body at its 183rd Session (June 1971) and modified at its 205th Session (March 1978) to carry out inquiries concerning the failure to send complete tripartite delegations to Regional Meetings and to report to the Governing Body on the responses. The Committee wished to encourage the Director-General to contact the governments mentioned in paragraphs 7 and 12 above and to report to the Governing Body accordingly.
34. The Credentials Committee unanimously adopted this report, to be included amongst the documents that the Office would bring to the attention of the Governing Body, in conformity with article 9, paragraph 4, of the Rules for Regional Meetings.

Lisbon, 12 February 2009.

(Signed) Ms Inge Piso
Chairperson

Ms Lidija Horvatić

Mr Yves Veyrier

Annex A

Accredited delegates and advisers

(Updated as of 2 p.m. on 12.02.2009)

	Government Delegates	Government Advisers	Employers' Delegates	Employers' Advisers	Workers' Delegates	Workers' Advisers
Albania	2	2	1	1	1	1
Armenia	2	-	1	-	1	-
Austria	2	1	1	-	1	-
Azerbaijan	2	-	-	-	1	-
Belarus	1	-	1	-	1	2
Belgium	2	6	1	1	1	8
Bosnia and Herzegovina	1	1	1	-	1	1
Bulgaria	2	2	1	-	1	-
Croatia	2	-	1	1	1	1
Cyprus	2	1	1	2	1	2
Czech Republic	2	7	1	3	1	2
Denmark	2	-	1	-	1	-
Estonia	2	-	1	-	1	-
Finland	2	2	1	1	1	1
France	2	5	1	1	1	7
Georgia	1	-	1	-	1	-
Germany	2	1	1	2	1	2
Greece	2	2	1	1	1	2
Hungary	2	1	1	1	1	2
Iceland	-	-	-	-	-	-
Ireland	2	-	1	-	1	-
Israel	2	2	1	-	1	-
Italy	2	4	1	-	1	5
Kazakhstan	2	1	1	1	-	-
Kyrgyzstan	-	-	-	-	-	-
Latvia	-	-	-	-	-	-
Lithuania	2	-	1	-	1	-
Luxembourg	2	4	1	1	1	3
Malta	2	-	1	-	1	-
Republic of Moldova	2	1	1	-	1	-
Netherlands	2	2	1	-	1	3
Norway	2	2	1	1	1	3
Poland	2	3	1	1	1	2
Portugal	2	8	1	12	1	9
Romania	2	1	1	5	1	4
Russian Federation	2	3	1	1	1	3
San Marino	2	-	1	1	1	1
Serbia	2	2	1	-	1	2
Montenegro	-	-	-	-	-	-
Slovakia	2	1	1	1	1	-
Slovenia	2	2	1	-	1	-
Spain	2	-	1	2	1	4
Sweden	2	-	1	1	1	2
Switzerland	2	2	1	1	1	-
Tajikistan	-	-	-	-	-	-
The FYR Macedonia	2	1	-	-	-	-
Turkey	2	-	1	5	1	7
Turkmenistan	-	-	-	-	-	-
Ukraine	2	1	1	2	1	2
United Kingdom	2	2	1	-	1	1
Uzbekistan	-	-	-	-	-	-
Total	85	73	42	49	42	82

Annex B

Registered delegates and advisers

(Updated as of 2 p.m. on 12.02.2009)

	Government Delegates	Government Advisers	Employers' Delegates	Employers' Advisers	Workers' Delegates	Workers' Advisers
Albania	2	2	1	1	1	1
Armenia	2	-	-	-	1	-
Austria	2	1	1	-	1	-
Azerbaijan	2	-	-	-	1	-
Belarus	1	-	-	-	1	2
Belgium	1	6	1	1	1	6
Bosnia and Herzegovina	1	1	1	-	-	1
Bulgaria	2	2	1	-	1	-
Croatia	1	-	1	1	1	1
Cyprus	2	1	1	2	1	1
Czech Republic	2	7	1	3	1	2
Denmark	2	-	1	-	1	-
Estonia	2	-	1	-	1	-
Finland	2	2	1	1	1	1
France	2	5	1	1	1	7
Georgia	1	-	1	-	1	-
Germany	2	1	1	2	1	2
Greece	2	2	1	1	1	2
Hungary	2	1	1	1	1	2
Iceland	-	-	-	-	-	-
Ireland	2	-	1	-	1	-
Israel	2	2	1	-	1	-
Italy	2	3	1	-	1	5
Kazakhstan	2	1	1	1	-	-
Kyrgyzstan	-	-	-	-	-	-
Latvia	-	-	-	-	-	-
Lithuania	2	-	1	-	1	-
Luxembourg	1	2	1	1	1	3
Malta	2	-	1	-	1	-
Republic of Moldova	2	1	1	-	1	-
Netherlands	2	2	-	-	1	3
Norway	2	2	1	1	1	3
Poland	1	3	1	1	1	2
Portugal	2	7	1	11	1	9
Romania	2	1	1	5	1	4
Russian Federation	2	3	1	1	1	3
San Marino	2	-	1	1	1	1
Serbia	2	2	1	-	1	2
Montenegro	-	-	-	-	-	-
Slovakia	2	1	1	1	1	-
Slovenia	2	2	1	-	1	-
Spain	1	-	1	2	1	3
Sweden	2	-	1	1	1	2
Switzerland	2	2	1	1	1	-
Tajikistan	-	-	-	-	-	-
The FYR Macedonia	1	1	-	-	-	-
Turkey	2	-	-	5	1	6
Turkmenistan	-	-	-	-	-	-
Ukraine	1	-	1	2	1	-
United Kingdom	2	1	1	-	1	1
Uzbekistan	-	-	-	-	-	-
Total	78	67	38	48	41	75